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SUPREME COURT SCHEDULING

No. S263255
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, C. C-36 AS AMENDED

AND

IN THE MATTER OF THE PLAN OF COMPROMISE OR ARRANGEMENT OF
ARCTIC CANADIAN DIAMOND COMPANY LTD., AND BURGUNDY
DIAMONDS (CANADA) LIMITED

PETITIONERS

APPLICATION RECORD

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DATE, TIME, PLACE OF APPLICATION: July 14, 2026 at 10 a.m., Vancouver
Time Estimate: 2 hours
Application Record provided by: Lawyers for the Petitioner

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, C. C-36 AS AMENDED

AND

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ARCTIC CANADIAN DIAMOND COMPANY LTD., AND BURGUNDY
DIAMONDS (CANADA) LIMITED

PETITIONERS

I N D E X

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1.	Notice of Application	July 13, 2026
2.	Affidavit #1 of Robert Jenkins	July 13, 2026
3.	Pre-Filing Report of the Monitor	May 1, 2026
4.	First Report of the Monitor	May 8, 2026
5.	Initial Order	May 1, 2026
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7.	Sales and Investment Solicitation Process Order	May 11, 2026
8.	DRAFT Receivership Order	



No. S-263255
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IN THE SUPREME COURT OF BRITISH COLUMBIA

**IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, C. C-36 AS AMENDED**

AND

**IN THE MATTER OF THE PLAN OF COMPROMISE OR ARRANGEMENT OF
ARCTIC CANADIAN DIAMOND COMPANY LTD., AND BURGUNDY
DIAMONDS (CANADA) LIMITED**

PETITIONERS

NOTICE OF APPLICATION

Name of applicant: Government of the Northwest Territories ("GNWT")

To: The parties identified on the Service List attached as **Schedule "A"**

TAKE NOTICE that an application will be made by the applicant to Justice P. Walker at the courthouse at 800 Smithe Street, Vancouver, BC on July 14, 2026 at 10:00 a.m. for the orders set out in Part 1 below.

The applicant estimates that the application will take 2 hours.

- ☐ This matter is within the jurisdiction of an associate judge.
- ☒ This matter is not within the jurisdiction of an associate judge.

Part 1: ORDER(S) SOUGHT

1. An order (the "**Receivership Order**") substantially in the form attached as **Schedule "B"**:
 - (a) abridging the time for service of this notice of application;
 - (b) terminating the stay of proceedings and associated relief granted to the respondents, Arctic Canadian Diamond Company Ltd. ("**ACDC**") and Burgundy Diamonds (Canada) Limited ("**BDC**") and together with ACDC, the "**Burgundy Respondents**") under the *Companies' Creditors Arrangement Act*, RSC 1985, c-36, as amended ("**CCAA**"), in these proceedings (the "**CCAA Proceedings**");
 - (c) discharging FTI Consulting Canada Inc. ("**FTI**") as monitor (the "**Monitor**") in the CCAA Proceedings, approving the Monitor's activities, and permitting the Monitor

to fulfill its final completion obligations in the CCAA Proceedings and assist the Receiver (as defined below) with transition and other activities; and

- (d) appointing PricewaterhouseCoopers Inc. (“**PwC**”) as receiver and manager (the “**Receiver**”) of the Ekati Mine (as defined below) and all other property, assets, and undertakings of the Burgundy Respondents pursuant to section 39 of the *Law and Equity Act*, RSBC 1996, c. 253 (“**LEA**”).
2. Such further and other relief as counsel may advise and this Court deems just and convenient in the circumstances.

Part 2: FACTUAL BASIS

Overview

3. The sales process conducted in these CCAA Proceedings did not result in any compliant bids, and the interim funding available to the Burgundy Respondents is fully exhausted. CEEFC (the DIP lender) has determined it will not fund the companies any further. GNWT requires the urgent appointment of a receiver over the Burgundy Respondents to conduct an orderly wind down of Ekati Mine operations, and to oversee environmental remediation and reclamation activities.

The Burgundy Respondents

4. The Burgundy Respondents form part of the “Burgundy Group”, whose primary business is the mining, production, and sale of diamonds. The Burgundy Respondents have owned and operated the Ekati diamond mine located in Canada’s Northwest Territories (the “**Ekati Mine**”) since 2021.

Pre-Filing Report of the Monitor dated May 1, 2026 (“**Pre-Filing Report**”), paras. 9-10.

5. A steep decline in diamond prices beginning in 2023, alongside other challenging global market conditions, contributed to significant financial distress for the Ekati Mine and the Burgundy Respondents. In early 2026, the Burgundy Respondents became unable to meet their financial obligations despite pre-filing restructuring efforts, ultimately leading the Burgundy Respondents to seek relief under the CCAA.

Pre-Filing Report, paras. 12 and 16.

The CCAA Proceedings

6. On May 1, 2026 (the “**CCAA Filing Date**”), this Court granted an initial order in the CCAA Proceedings providing for, among other things:

- (a) a stay of proceedings over the Burgundy Respondents and their parent company, Burgundy Diamond Mines Ltd. (a non-applicant stay party), until May 11, 2026 (the “**CCAA Stay Period**”);
- (b) appointment of FTI as Monitor; and
- (c) an administration charge to the maximum amount of \$500,000 (the “**CCAA Administration Charge**”) and a directors and officers charge to the maximum amount of \$2,750,000 (the “**CCAA D&O Charge**”).

First Report of the Monitor dated May 8, 2026 (“**First Report**”), para. 2;

Initial Order of Justice P. Walker, granted May 1, 2026.

7. The Monitor reported that as of the Filing Date, the Burgundy Respondents’ debts included, among other things:

- (a) approximately \$175,000,000 owed to Canada Enterprise Emergency Funding Corporation (“**CEEFC**”) under first-ranking security; and
- (b) approximately US\$79,000,000 owed to various lenders under second-ranking security.

Pre-Filing Report, paras. 13-14.

8. On May 11, 2026, this Court granted orders providing for, among other things:

- (a) an extension of the Stay Period to July 28, 2026;
- (b) an increase of the CCAA Administration Charge and the CCAA D&O Charge to maximum amounts of \$1,000,000 and \$5,000,000 respectively;
- (c) a sales and investment solicitation process (the “**SISP**”) to solicit potential purchasers or investors for the Burgundy Respondents or the Ekati Mine; and
- (d) an interim financing facility advanced by CEEFC in an amount not to exceed \$60,000,000 (the “**DIP Loan**”), to be paid in tranches connected to milestones under the SISP, including a corresponding priority charge (the “**DIP Charge**”).

First Report, paras. 3 and 16;

Amended and Restated Initial Order of Justice P. Walker, granted May 11, 2026;

Sales and Investment Solicitation Process Order of Justice P. Walker, granted May 11, 2026.

The SISP outcome and the DIP Loan funding

9. The SISP has marketed the business and assets of the Burgundy Respondents for the past 8 weeks. “Phase 1” of the SISP requires that any interested “Potential Bidder” must deliver a non-binding letter of intent to the Monitor by no later than 5:00 p.m. PT on July 10, 2026 (the “**Bid Deadline**”).

First Report, paras. 16-18.

10. Pursuant to regular discussions amongst GNWT, the Monitor, PwC, and counsel to the Burgundy Respondents throughout the SISP, GNWT understands that:
- (a) the Monitor did not receive any compliant bids in the SISP before the Bid Deadline;
 - (b) funds available to the Burgundy Respondents under the DIP Loan in Phase 1 of the SISP are fully drawn; and
 - (c) no further DIP Loan funding is available to the Burgundy Respondents given the outcome of Phase 1 of the SISP.

Affidavit #1 of Robert Jenkins, made on July 13, 2026 (“**Jenkins #1**”), para. 5.

11. The Monitor has provided GNWT with a cash flow analysis dated July 6, 2026, showing that the Burgundy Respondents are expected to run out of all cash during the week ending July 17, 2026, if no further funding is obtained.

Jenkins #1, para. 6, Ex. A.

Transition to the Reclamation and need for receivership

12. Given the expected outcome of the SISP and the Burgundy Respondents’ upcoming liquidity crisis, GNWT has worked closely with the Monitor, the Burgundy Respondents, counsel to the Burgundy Respondents, and PwC to plan for an orderly transition of the

Ekati Mine back to GNWT for the purpose of environmental remediation and reclamation (the “**Reclamation**”). The agreed path forward is a receivership appointment.

Jenkins #1, para. 7.

13. All parties agree it will take approximately 5 weeks to responsibly and efficiently shut down mining operations at the Ekati Mine before undergoing the Reclamation work (the “**Transition Period**”). The Transition Period is critical because an immediate or disorderly termination of operations may risk causing significant environmental harm.

Jenkins #1, paras. 8-9.

14. Currently, GNWT holds (or has access to) the following security which may fund the Transition Period or the Reclamation, as applicable:
- (a) approximately \$303 million in cash, surety bonds, and trust funds held pursuant to the *Waters Act*, SNWT 2014, c 18, and associated regulations;
 - (b) approximately \$20 million in cash held pursuant to an Environmental Agreement amongst GNWT, Canada and ACDC; and
 - (c) approximately \$3.9 million in cash, surety bonds and trust funds held pursuant to various permits under the *Mackenzie Valley Resource Management Act*, SC 1998, c25, and associated regulations.

(collectively, the “**Environmental Security Funds**”).

Jenkins #1, para. 10.

15. In order to use and contribute the Environmental Security Funds for their intended purpose, GNWT requires the protections sought in the Receivership Order, and the appointment of PwC as Receiver to manage the Ekati Mine during both the Transition Period and the Reclamation.

Jenkins #1, para. 11.

16. PwC is a licensed trustee within the meaning of Section 2 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (“**BIA**”), is qualified to act as a receiver, has consented to and agreed to act, and is acceptable to GNWT.

Jenkins #1, para. 12, Ex. B.

The CCAA Completion Costs

17. GNWT understands that the professional fees subject to the CCAA Administration Charge, being fees of the Monitor, Monitor's counsel, and counsel to the Burgundy Respondents, are fully paid up to June 30, 2026, and if the Receivership Order is granted, the estimated remaining professional fees of these parties to complete any final steps or obligations is less than the amount of the CCAA Administration Charge (the "**CCAA Completion Costs**").

Part 3: LEGAL BASIS

18. GNWT relies upon:
- (a) Section 39(1) of the LEA;
 - (b) Section 243(2)(b)(ii) of the BIA;
 - (c) Rule 8-5(6) of the *Supreme Court Civil Rules*; and
 - (d) such other grounds as this Court may permit.

The Receiver should be appointed and the CCAA Proceedings terminated

19. Subsection 39(1) of the LEA allows for the appointment of a receiver where it is "just or convenient" to do so. This Court has identified several factors that may inform this holistic determination. Relevant factors may include:
- (a) whether irreparable harm might be caused if no order were made, although it is not essential for a creditor to establish irreparable harm if a receiver is not appointed, particularly where the appointment of a receiver is authorized by the security documentation;
 - (b) the risk to the security holder taking into consideration the size of the debtor's equity in the assets and the need for protection or safeguarding of the assets while litigation takes place;
 - (c) the nature of the property;
 - (d) the apprehended or actual waste of the debtor's assets;
 - (e) the preservation and protection of the property pending judicial resolution;
 - (f) the balance of convenience to the parties;

- (g) the fact that the creditor has the right to appoint a receiver under the documentation provided for the loan;
- (h) the enforcement of rights under a security instrument where the security-holder encounters or expects to encounter difficulty with the debtor and others;
- (i) the principle that the appointment of a receiver is extraordinary relief which should be granted cautiously and sparingly;
- (j) the consideration of whether a court appointment is necessary to enable the receiver to carry out its duties more efficiently;
- (k) the effect of the order upon the parties;
- (l) the conduct of the parties;
- (m) the length of time that a receiver may be in place;
- (n) the cost to the parties;
- (o) the likelihood of maximizing return to the parties; and
- (p) the goal of facilitating the duties of the receiver.

LEA s. 39(1)

Maple Trade Finance Inc. v. CY Oriental Holdings Ltd., 2009
BCSC 1527 at para 25

Pandion Mine Finance Fund LP v. Otso Gold Corp. 2022 BCSC
136 at para 54

20. Canadian insolvency courts have terminated CCAA proceedings and appointed receivers where the CCAA proceeding will not result in a restructuring that will yield a beneficial outcome to both the debtor and creditors, and where the creditors have lost faith in the ability of the debtor to run its business.

*In the matter of a Plan of Compromise or Arrangement of 2039882
Ontario Limited o/a Shelter Cove*, 2024 ONSC 5153 at para 33

21. It may be appropriate for a receivership to overtake a CCAA proceeding where the CCAA proceeding resulted in a failed sales process and the receiver is to assume management of the debtors.

Canadian Imperial Bank of Commerce v. Community Pork Ventures Inc., 2005 SKQB 294 at paras 4-9 and 19

22. It is appropriate to appoint PwC as the Receiver:

- (a) **Irreparable environmental harm may occur if no order is made.** Evidence shows that the Burgundy Respondents are facing an imminent liquidity crisis and will not have cash to continue funding Ekati Mine operations beyond the week ending July 17, 2026. An immediate or disorderly shutdown of mining operations caused by the sudden inability to meet financial obligations risks causing significant environmental harm to the Ekati Mine area.
- (b) **The property requires immediate funding and management control.** Mines are cost-intensive. The Ekati Mine is no longer financially viable and requires immediate funding for the Transition Period and the Reclamation. GNWT will not provide the necessary Environmental Security Funds without protections granted by the Receivership Order. Further, the complexity of a mine shutdown and environmental reclamation will require PwC's subject matter expertise and strict control over all aspects of operations and reclamation activities.
- (c) **A receiver appointment is necessary for PwC to effectively carry out its duties.** To undertake management of the Ekati Mine during Transition Period and the Reclamation, PwC will require the Receiver powers and protections afforded by the Receivership order.
- (d) **The conduct of the Burgundy Respondents supports granting a receivership.** The Burgundy Respondents have been unable to conduct a successful pre-CCAA restructuring despite \$175 million of CEEFC funding advanced since December 2025, have been unable to conduct a successful SISP sales process in the CCAA Proceedings, and are facing an imminent liquidity crisis with no prospect of additional funding for operations. As such, the Receiver is required to take control and manage the Ekati Mine through the Transition Period and the Reclamation. The Burgundy Respondents support the appointment of a receiver.

23. In this case, it is also appropriate to terminate the CCAA relief provided under the ARIO. There is no longer a prospect that the CCAA relief will result in a successful restructuring for the benefit of any stakeholders. The SISP has failed, and the Receiver is required to take control of and manage the Ekati Mine through the Transition Period and the Reclamation.
24. The proposed Receivership Order will not prejudice the Monitor or the other parties covered by charges granted in the ARIO. The Receivership Order expressly preserves all of the ARIO charges, which includes security for payment of the CCAA Completion Costs. The order also provides protections for the Monitor as required, allowing the Monitor to take any final steps required in the CCAA Proceedings, such as fee approvals.
25. Termination of CCAA relief provided under the ARIO should include a discharge of the Monitor and approval of its activities to-date. The approval sought relates specifically to activities undertaken by the Monitor as detailed in the Monitor's reports. Such approval is appropriate because it will, among other things, provide protection for the Monitor not otherwise provided by the CCAA, and prevent delay that would be caused by potential re-litigation of steps taken to date and potential indemnity claims by the Monitor.

Target Canada Co. (Re), 2015 ONSC 7574, at paras 12, 23

Environmental reclamation funds are not subject to BIA priorities

26. "End-of-life" regulatory environmental obligations are public duties not owed to a creditor, but to the public generally. As such, they are not "claims" provable in bankruptcy and are not subject to the general priority scheme under the BIA. A trustee in bankruptcy (or other insolvency professional) must use the assets of the estate to satisfy these regulatory obligations.

Orphan Well Association v. Grant Thornton Ltd., 2019 SCC 5 at para 159

British Columbia (Attorney General) v Quinsam Coal Corporation, 2020 BCSC 640 at paras 108-109

27. The Receivership Order proposes that any Environmental Security Funds paid by GNWT to the Receiver do not form part of the "Property" and are protected from the Burgundy

Respondents' secured creditors. This approach is supported by the leading Supreme Court of Canada jurisprudence and is a practical requirement to ensure the Environmental Security Funds are used for their intended public purpose.

The relief sought is urgent

28. Rule 8-5(6) of the Supreme Court Civil Rules allows this Court to make an order without notice in the case of urgency.

Rule 8-5(6).

29. For the benefit of all stakeholders, GNWT waited to bring this application until the outcome of the SISP was determined. The Receivership Order is now urgent to address the Burgundy Respondents' immediate liquidity crisis and ensure the continued funding of the Ekati Mine through the Transition Period to Reclamation.

Part 4: MATERIAL TO BE RELIED ON

1. Affidavit #1 of Robert Jenkins, made on July 13, 2026;
2. Pre-Filing Report of the Monitor, dated May 1, 2026;
3. First Report of the Monitor, dated May 8, 2026;
4. Initial Order of Justice P. Walker granted May 1, 2026;
5. Amended and Restated Initial Order of Justice P. Walker, granted May 11, 2026;
6. Sales and Investment Solicitation Process Order of Justice P. Walker, granted May 11, 2026; and
7. Such other materials as counsel may advise and this Court may permit.

TO THE PERSONS RECEIVING THIS NOTICE OF APPLICATION: If you wish to respond to this notice of application, you must, within 5 business days after service of this notice of application or, if this application is brought under Rule 9-7, within 8 business days after service of this notice of application,

- (a) file an application response in Form 33,
- (b) file the original of every affidavit, and of every other document, that

- (i) you intend to refer to at the hearing of this application, and
- (ii) has not already been filed in the proceeding, and
- (c) serve on the applicant 2 copies of the following, and on every other party of record one copy of the following:
- (i) a copy of the filed application response;
- (ii) a copy of each of the filed affidavits and other documents that you intend to refer to at the hearing of this application and that has not already been served on that person;
- (iii) if this application is brought under Rule 9-7, any notice that you are required to give under Rule 9-7 (9).

Dated: July 13, 2026



Signature of ☐ Applicant(s)
☒ Lawyer for applicant(s)

for Mary Buttery, K.C. / Christian Garton

To be completed by the court only:

Order made

[] in the terms requested in paragraphs of Part 1 of this notice of application

[] with the following variations and additional terms:

.....
.....
.....

Date:[dd/mm/yyyy].....

.....
Signature of [] Judge [] Associate Judge

Appendix

THIS APPLICATION INVOLVES THE FOLLOWING:

- ☐ discovery: comply with demand for documents
- ☐ discovery: production of additional documents
- ☐ other matters concerning document discovery
- ☐ extend oral discovery
- ☐ other matter concerning oral discovery
- ☐ amend pleadings
- ☐ add/change parties
- ☐ summary judgment
- ☐ summary trial
- ☐ service
- ☐ mediation
- ☐ adjournments
- ☐ proceedings at trial
- ☐ case plan orders: amend
- ☐ case plan orders: other
- ☐ experts
- ☒ none of the above

"Schedule A"

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED

AND

IN THE MATTER OF A PLAN OF COMPROMISE AND ARRANGEMENT OF
ARTIC CANADIAN DIAMOND COMPANY LTD. and
BURGUNDY DIAMONDS (CANADA) LIMITED

PETITIONERS

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Updated July 10, 2026

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"Schedule B"

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IN THE MATTER OF THE COMPANIES' CREDITORS
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DIAMONDS (CANADA) LIMITED

PETITIONERS

ORDER MADE AFTER APPLICATION

BEFORE	}	THE HONOURABLE MR. JUSTICE P. WALKER	}	2026/07/14
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ON THE APPLICATION of Government of the Northwest Territories (“**GNWT**”) for an Order pursuant to Section 39 of the *Law and Equity Act*, R.S.B.C. 1996 c. 253, as amended (the “**LEA**”) appointing PricewaterhouseCoopers Inc. (“**PwC**”) as Receiver (in such capacity, the “**Receiver**”), without security, of all of the assets, undertakings and property in which Arctic Canadian Diamond Company Ltd. and Burgundy Diamonds (Canada) Limited (collectively, the “**Debtors**”) have an interest, including, without limitation, the Ekati Mine located in the Lac de Gras region of the Northwest Territories of Canada (the “**Ekati Mine**”), coming on for hearing this day at 800 Smithe Street, Vancouver, British Columbia.

AND ON READING Affidavit #1 of Robert Jenkins made on July 13, 2026, and the consent of PwC to act as the Receiver; AND ON HEARING Mary Buttery, K.C. and Christian Garton, counsel for GNWT and those other counsel listed on **Schedule “A”** hereto.

THIS COURT ORDERS AND DECLARES that:

SERVICE

1. The time for service of the notice of application for this Order is hereby abridged, and the application is properly returnable today.

CCAA PROCEEDINGS

2. The amended and restated initial order (the “**ARIO**”) of this Court pronounced in these proceedings on June 11, 2026, under the *Companies' Creditors Arrangement Act*, RSC

1985, c-36, as amended (“CCAA”), is hereby terminated and the provisions thereof are of no further force and effect except as contemplated by the terms of this Order.

3. Effective immediately, FTI Consulting Canada Inc. (“FTI”) shall be and hereby is discharged as monitor of the Debtors (in such capacity, the “**Monitor**”), and FTI shall have no further duties, obligations, or responsibilities as Monitor in these proceedings except as contemplated by the terms of this Order.
4. Notwithstanding any provision of this Order:
 - (a) the Monitor is authorized to take such steps and actions as it deems necessary to perform such statutory, court-ordered or other duties as may be required in order to properly complete its mandate as Monitor and address any matters ancillary or incidental to its capacity as Monitor;
 - (b) the Monitor and its counsel are authorized to cooperate with and assist the Receiver with respect to the transition of these proceedings from proceedings under the CCAA to receivership proceedings, or with respect to any other matters related to these proceedings within the Receiver’s discretion;
 - (c) the Monitor shall continue to have the benefit of the provisions of the CCAA and of all orders made in these proceedings in relation to its appointment and activities as the Monitor, including all approvals, protections, and stays of proceedings in favour of FTI in its capacity as the Monitor, and nothing herein shall affect, vary, derogate from, limit, or amend any protections in favour of the Monitor at law or pursuant to the CCAA, orders made in these proceedings, or any other order of this Court in these proceedings; and
 - (d) the Receiver shall pay the reasonable fees and disbursements of the Monitor and its legal counsel incurred in connection with the completion of its mandate and the provision of assistance of the Receiver.
5. Notwithstanding the discharge of FTI as Monitor, FTI is hereby authorized from and after the date of this Order to apply to this Court to address matters ancillary or incidental to the completion of its mandate, and in particular, without limitation, the Monitor has leave to seek orders on notice to those persons on the Service List (as defined below) approving the fees and disbursements of the Monitor and the Monitor’s legal counsel incurred in connection with these proceedings.
6. The activities of the Monitor in these proceedings as set out in the Monitor’s reports filed herein are hereby approved, provided that only FTI, in its own capacity and only in respect to its liability, shall be entitled to rely upon or utilize in any way such approval.
7. FTI (in its capacity as Monitor or otherwise) and Fasken Martineau DuMoulin LLP (in its capacity as counsel to the Monitor) and their respective affiliates and officers, directors, partners, employees, and agents (collectively, the “**FTI Released Parties**”), be and are hereby released and discharged from any and all claims that any person may have or be entitled to assert against the FTI Released Parties, whether known or unknown, matured or

unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the date of the Monitor's discharge or such other date as ordered by this Court in any way relating to, arising out of, or in respect of these proceedings, or with respect to its conduct in these proceedings (the "**Released Claims**") and any such Released Claims are hereby released, stayed, extinguished and forever barred, with prejudice, and the FTI Released Parties shall have no liability in respect thereof, provided that the Released Claims shall not include any claim arising out of gross negligence or wilful misconduct on the part of the FTI Released Parties.

8. No action or other proceedings shall be commenced against any of the FTI Released Parties in any way arising from or related to these proceedings, except with prior leave of this Court on at least ten (10) days' prior written notice to the FTI Released Parties.

APPOINTMENT

9. Pursuant to Section 39 of the *LEA*, PwC is appointed Receiver, without security, of all the assets, undertakings and property in which the Debtors have an interest, including, without limitation, the Ekati Mine and all proceeds of the foregoing (collectively, the "**Property**"), for the purpose of overseeing such steps as may be necessary or appropriate to: (i) manage, wind down, or terminate the business and mining activities of the Debtors (the "**Business and Mining Activities**"); (ii) conduct the environmental remediation and reclamation of the Ekati Mine and surrounding area, as required in consultation with GNWT, any technical advisors retained by GNWT, any technical advisors retained by the Receiver, and pursuant to regulatory obligations, as applicable (the "**Reclamation**"); (iii) comply with all directions issued by GNWT, or its representatives, pursuant to any regulatory authority in connection with the Property (the "**Regulatory Directions**"); and (iv) conduct any other reasonable activities deemed appropriate by the Receiver in relation to the Debtors or the Property, subject in each case to funding being available to the Receiver.
10. The Receiver is a receiver within the meaning of Section 243(2)(b)(ii) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 ("**BIA**").

RECEIVER'S POWERS

11. The Receiver is empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:
 - (a) take possession of and exercise control over the Property and any and all receipts and disbursements arising out of or from the Property, including without limitation all funds in any bank accounts, trust accounts, lawyer trust accounts or other accounts in which funds are held for the benefit of respondents, wherever located;
 - (b) receive, preserve and protect the Property, or any part or parts thereof, including, but not limited to, changing locks and security codes, relocation of Property,

engaging independent security personnel, taking physical inventories and placing insurance coverage;

- (c) oversee and facilitate the Reclamation;
- (d) manage the business of the Debtors, including the powers to enter into any agreements, incur any obligations, cease to carry on all or any part of the business, and disclaim or cease to perform any contracts of the Debtors;
- (e) effect workforce reductions, including layoffs or terminations of the Debtors' employees, in such manner as the Receiver, in its sole discretion, deems necessary or appropriate, and in all cases notwithstanding the provisions of: (i) any applicable collective bargaining agreement; (ii) any federal, territorial or provincial employment legislation, including without limitation the *Canada Labour Code*, RSC 1985, c. L-2 and the *Employment Standards Act*, SNWT 2007, c. 13, including section 41 thereof;
- (f) engage consultants, appraisers, agents, experts, technical advisors, including engineering, health and safety and environmental advisors, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including, without limitation, those conferred by this Order;
- (g) purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to wind down or terminate the Business and Mining Activities or any part or parts thereof, and to effect the Reclamation;
- (h) receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting these amounts, including, without limitation, enforcement of any security held by the Debtors;
- (i) settle, extend or compromise any indebtedness owing to the Debtors, including, with the consent of GNWT, to pay any amounts owing to creditors of the Debtors as at the date of this Order;
- (j) execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtors, for any purpose pursuant to this Order;
- (k) undertake environmental or workers' health and safety assessments of the Property and operations of the Debtors;
- (l) initiate, manage and direct all legal proceedings now pending or hereafter pending (including appeals or applications for judicial review) in respect of the Debtors, the Property or the Receiver, including initiating, prosecuting, continuing, defending, settling or compromising the proceedings;

- (m) market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver considers appropriate;
- (n) sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business:
 - (i) without the approval of this Court in respect of a single transaction for consideration up to \$1,000,000 provided that the aggregate consideration for all such transactions does not exceed \$5,000,000; and
 - (ii) with the approval of this Court in respect of any transaction in which the individual or aggregate purchase price exceeds the limits set out in subparagraph (i) above,and in each such case notice under Section 59(10) of the *Personal Property Security Act*, R.S.B.C. 1996, c. 359, or any statutory equivalents in the Northwest Territories, shall not be required;
- (o) apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers, free and clear of any liens or encumbrances;
- (p) report to, meet with and discuss with such affected Persons (as defined below) as the Receiver considers appropriate on all matters relating to the Property and the receivership, and to share information, subject to confidentiality terms as the Receiver considers appropriate;
- (q) register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (r) apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if considered necessary or appropriate by the Receiver, in the name of the Debtor;
- (s) assign either of the Debtors into bankruptcy;
- (t) enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limitation, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (u) exercise any shareholder, partnership, joint venture or other rights which the Debtor may have;
- (v) take any steps as may be reasonably necessary or appropriate to facilitate the Reclamation or comply with any Regulatory Directions; and

- (w) take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations,

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtors, and without interference from any other Person.

- 12. For clarity, subject to further order of this Court, the Receiver shall not operate the Debtors' business except to the extent necessary to effect the wind down and termination of the Business and Mining Activities and to effect the Reclamation.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

- 13. Each of (i) the Debtors; (ii) all of the Debtors' current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf; and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (collectively, "**Persons**" and each a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property (excluding Property subject to liens the validity of which is dependent on maintaining possession) to the Receiver upon the Receiver's request.
- 14. All Persons, other than governmental authorities, shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtors, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (collectively, the "**Records**") in that Person's possession or control. Upon request, governmental authorities shall advise the Receiver of the existence of any Records in that Person's possession or control.
 - 1. Upon request, all Persons shall provide to the Receiver or permit the Receiver to make, retain and take away copies of the Records and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities, provided however that nothing in paragraphs 14, 1 or 2 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to solicitor client privilege or statutory provisions prohibiting such disclosure.
 - 2. If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by an independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this

paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may require including, without limitation, providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

3. No proceeding or enforcement process in any court or tribunal (each, a “**Proceeding**”), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY

4. No Proceeding against or in respect of the Debtors or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtors or the Property are stayed and suspended pending further Order of this Court; provided, however, that nothing in this Order shall prevent any Person from commencing a Proceeding regarding a claim that might otherwise become barred by statute or an existing agreement if such Proceeding is not commenced before the expiration of the stay provided by this paragraph and provided that no further step shall be taken in respect of the Proceeding except for service of the initiating documentation on the Debtors and the Receiver.
5. Notwithstanding the foregoing, nothing in this Order shall in any way prevent GNWT from issuing any Regulatory Directions or taking any steps within its power as regulator in connection with the Ekati Mine or the Reclamation.

NO EXERCISE OF RIGHTS OR REMEDIES

6. All rights and remedies (including, without limitation, set-off rights) against the Debtors, the Receiver, or affecting the Property, are stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that nothing in this Order shall (i) empower the Receiver or the Debtors to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) affect the rights of any regulatory body as set forth in section 69.6(2) of the BIA, (iii) prevent the filing of any registration to preserve or perfect a security interest, (iv) prevent the registration of a claim for lien, or (v) exempt the Receiver or the Debtors from compliance with statutory or regulatory obligations relating to health, safety, the environment, or mining operations. This stay and suspension shall not apply in respect of any “eligible financial contract” as defined in the BIA.

NO INTERFERENCE WITH THE RECEIVER

7. No Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtors, without written consent of the Receiver or leave of this Court. Nothing in this Order shall prohibit any party to an eligible financial contract from closing out and terminating such contract in accordance with its terms. For greater certainty,

nothing in this Order shall affect the Wek'eezii Land and Water Board's authority, and any governmental or other body's discretion as regulator, to approve, suspend, reject, terminate, or otherwise affect any of the licenses or authorizations held by the Debtors in connection with the Ekati Mine in accordance with applicable statutory and regulatory powers.

CONTINUATION OF SERVICES

8. All Persons having oral or written agreements with the Debtors or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtors are restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver (including as may be required in order to comply with any Regulatory Directions or otherwise in connection with the Reclamation), and the Receiver shall be entitled to the continued use of the Debtors' current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

9. All funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever including, without limitation, the sale of all or any of the Property, or the collection of any accounts receivable, in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post-Receivership Accounts**") and the monies standing to the credit of such Post-Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further order of this Court.

EMPLOYEES

10. Subject to the employees' right to terminate their employment, all employees of the Debtors shall remain the employees of the Debtors until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities of the Debtors, including in respect of any applicable collective bargaining agreement and in respect of any successor employer liabilities as referred to in Section 14.06(1.2) of the BIA, other than amounts the Receiver may specifically agree in writing to pay or in respect of obligations imposed specifically on receivers by applicable legislation, including sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*, S.C. 2005, c.47. The Receiver shall be liable for any employee-related liabilities, including wages, severance pay, termination pay, vacation pay, and pension or benefit amounts relating to any employees that the

Receiver may hire in accordance with the terms and conditions of such employment by the Receiver.

PERSONAL INFORMATION

11. Pursuant to Section 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5 or Section 18(1)(o) of the *Personal Information Protection Act*, S.B.C. 2003, c. 63, and any statutory equivalents in the Northwest Territories, the Receiver may disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a “**Sale**”). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

12. Notwithstanding any other provision of this Order, none of PwC or the Receiver, or any of their respective directors, officers, agents, employees or representatives shall occupy or take control, care, charge, possession, or management (separately and/or collectively, “**Possession**”), or be deemed to have taken Possession, of any Property that is or might be environmentally contaminated, a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance (whether as a result of the Incident or otherwise) (“**Contaminated Property**”) contrary to any federal, provincial, territorial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the mining industry or the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, 1999 (Canada), the *Waters Act* (Northwest Territories), the *Northwest Territories Lands Act* (Northwest Territories), the *Environmental Protection Act* (Northwest Territories), the *Fisheries Act* (Canada), the *Wildlife Act* (Northwest Territories), the *Canadian Navigable Waters Act* (Canada), and the *Mackenzie Valley Resource Management Act* (Canada), each as may be amended, supplemented, modified, or replaced, and the regulations thereunder (the “**Environmental Legislation**”). Without limiting the generality of the foregoing, the Receiver and any of its directors, officers, agents, employees or representatives shall not, as a result of this Order or anything done pursuant to this Order, be deemed to be in Possession of any Contaminated Property within the meaning of any Environmental Legislation. All such Contaminated Property shall be deemed to remain in the sole Possession of the Debtors within the meaning of any applicable Environmental Legislation; provided, however, that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Regulatory Directions or applicable Environmental Legislation.

13. Notwithstanding anything in federal or provincial law, the Receiver is not personally liable in that position for any environmental condition that arises or environmental damage that occurred:
 - (a) before the Receiver's appointment; or
 - (b) after the Receiver's appointment, unless it is established that the condition arose or the damage occurred as a result of the Receiver's gross negligence or wilful misconduct.
14. Notwithstanding anything in federal, provincial or territorial law, but subject to paragraph 13 of this Order, where an order is made which has the effect of requiring the Receiver to remedy any environmental condition or environmental damage affecting the Property, if the Receiver complies with the BIA section 14.06(4), the Receiver is not personally liable for the failure to comply with the order and is not personally liable for any costs that are or would be incurred by any Person in carrying out the terms of the order.

LIMITATION ON THE RECEIVER'S LIABILITY

15. The Receiver and its directors, officers, employees, representatives and agents shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, including, without limitation, any liability or obligation in connection with any Contaminated Property or Environmental Legislation, or any failure by the Debtors to comply with any Environmental Legislation or Regulatory Directions, save and except for:
 - (a) any gross negligence or wilful misconduct on their part; or
 - (b) amounts in respect of obligations imposed specifically on receivers by applicable legislation.

Nothing in this Order shall derogate from the protections afforded the Receiver by Section 14.06 of the *BIA* or by any other applicable legislation.

RECEIVER'S ACCOUNTS

16. The Receiver and its legal counsel, if any, are granted a charge (the "**Receiver's Charge**") on the Property, as security for the payment of their fees and disbursements, in each case at their standard rates, in respect of these proceedings, whether incurred before or after the making of this Order (the "**Receiver's Fees**"). The Receiver's Charge shall form a charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to Sections 14.06(7), 81.4(4), and 81.6(2) of the *BIA* and the charge priorities established in this Order.
17. The Receiver and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are referred to a judge of the Supreme Court of British Columbia and may be heard on a summary basis.

18. Prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against the Receiver's Fees, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

19. The Receiver is authorized and empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, at any time, at such rate or rates of interest as the Receiver deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate to the charges as set out in Sections 14.06(7), 81.4(4), and 81.6(2) of the BIA and subject to the charge priorities established in this Order.
20. Neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.
21. The Receiver is authorized to issue certificates substantially in the form annexed as **Schedule "B"** hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.
22. The monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.
23. From time to time, the Receiver may issue invoices to GNWT in respect of services, costs, or professional fees incurred in relation to Regulatory Directions, the Reclamation, or other work within the scope and purpose of the Receiver's appointment under this Order, and GNWT may, if it deems appropriate, pay any part of these invoices using funds designated as statutory or contractual environmental security in relation to the Debtors or the Ekati Mine (the "**Environmental Security Funds**"). For certainty and notwithstanding any other terms of this Order, any such Environmental Security Funds paid by GNWT to the Receiver do not form part of the Property and are not subject to priorities in bankruptcy under the BIA.
24. Nothing in this Order shall be deemed to restrict GNWT from using, managing, or calling upon the Environmental Security Funds for any purpose.

CHARGES AND ALLOCATION

25. Notwithstanding the termination of the ARIO pursuant to this Order, the provisions of the ARIO concerning the creation of the “Administration Charge”, the “Interim Lender’s Charge”, and the “D&O Charge” (each as defined in the ARIO) (collectively, the “**CCAA Charges**”), as well as the rights and protections of the beneficiaries of the CCAA Charges, shall continue to be effective and the CCAA Charges shall continue to constitute charges on the Property as contemplated by the ARIO.
26. The priorities of the Administration Charge, the Receiver’s Charge, the Receiver’s Borrowing Charge, the Interim Lender’s Charge, and the D&O Charge shall be as follows:
- First – Administration Charge (to the maximum amount of \$500,000)
- Second – Receiver’s Charge
- Third – Receiver’s Borrowing Charge
- Fourth – Interim Lender’s Charge
- Fourth – D&O Charge (to the maximum amount of \$5,000,000)
27. Any interested party may apply to this Court on notice to any other party likely to be affected for an order allocating the Administration Charge, the Receiver’s Charge, the Receiver’s Borrowing Charge, the Interim Lender’s Charge, and the D&O Charge amongst the Property.

SERVICE AND NOTICE OF MATERIALS

28. The Receiver shall establish and maintain a website in respect of these proceedings at: [website] (the “**Website**”) and shall post there as soon as practicable:
- (a) all materials prescribed by statute or regulation to be made publicly available, including pursuant to Rule 10-2 of the *Supreme Court Civil Rules*; and,
- (b) all applications, reports, affidavits, orders and other materials filed in these proceedings by or on behalf of the Receiver, except such materials as are confidential and the subject of a sealing order or pending application for a sealing order.
29. Any Person who is served with a copy of this Order and that wishes to be served with any future application or other materials in these proceedings must either: (i) have already requested service of materials from the Monitor pursuant to the ARIO before the date of this Order; or (ii) provide to counsel for each of the Receiver and GNWT a demand for notice in the form attached as **Schedule “C”** (the “**Demand for Notice**”). The Receiver and GNWT need only provide further notice in respect of these proceedings to: (i) Persons that have already requested service of materials from the Monitor pursuant to the ARIO before the date of this Order; and (ii) Persons that have delivered a properly completed

Demand for Notice to each of the Receiver and GNWT. The failure of any Person to meet these criteria releases the Receiver and GNWT from any requirement to provide further notice in respect of these proceedings until such Person delivers a properly completed Demand for Notice.

30. The Receiver shall maintain a service list identifying all parties that have: (i) already requested service of materials from the Monitor pursuant to the ARIO before the date of this Order; or (ii) delivered a properly completed Demand for Notice (the “**Service List**”). The Receiver shall post and maintain an up-to-date form of the Service List on the Website.
31. Any interested party, including the Receiver, may serve any court materials in these proceedings by facsimile or by emailing a PDF or other electronic copy of such materials to the numbers or addresses, as applicable, set out on the Service List. Any interested party, including the Receiver, may serve any court materials in these proceedings by mail to any party on the Service List that has not provided a facsimile number or email address, and materials delivered by mail shall be deemed received five (5) days after mailing.
32. Notwithstanding paragraph 31 of this Order, service of the application and any affidavits filed in support shall be made on the Federal and British Columbia Crowns in accordance with the *Crown Liability and Proceedings Act*, R.S.C. 1985, c.C-50 and its regulations for the Federal Crown and the *Crown Proceedings Act*, R.S.B.C. 1996 c.89 in respect of the British Columbia Crown.
33. The Receiver and its counsel are authorised to serve or distribute this Order, any other orders and any other materials as may be reasonably required in these proceedings, including any notices or other correspondence, by forwarding copies by facsimile or by email to the Debtor’s creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of any legal or juridical obligation and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*.

STYLE OF CAUSE

34. Immediately following the pronouncement of this Order, the style of cause of these proceedings shall be and is hereby changed to:

No. S-263255
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE RECEIVERSHIP OF
ARCTIC CANADIAN DIAMOND COMPANY LTD., AND
BURGUNDY DIAMONDS (CANADA) LIMITED

GENERAL

35. Any interested party may apply to this Court to vary or amend this Order on not less than seven (7) clear business days' notice to the Service List and to any other party who may be affected by the variation or amendment, or upon such other notice, if any, as this Court may order.
36. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
37. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.
38. This Court requests the aid, recognition and assistance of any court, tribunal, regulatory or administrative body having jurisdiction, wherever located, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All such courts, tribunals and regulatory and administrative bodies are respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.
39. The Receiver is authorized and empowered to apply to any court, tribunal or regulatory or administrative body, wherever located, for recognition of this Order and for assistance in carrying out the terms of this Order and the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

40. Endorsement of this Order by counsel appearing on this application other than the applicant is dispensed with.

THE FOLLOWING PARTIES APPROVE OF THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

APPROVED BY:

Signature of Mary Buttery, K.C., lawyer for
GNWT

BY THE COURT

DISTRICT REGISTRAR

SCHEDULE “A”
Appearance List

NAME	APPEARING FOR

SCHEDULE "B"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that **[RECEIVER'S NAME]**, the **[Receiver and/or Receiver and Manager]** (the "**Receiver**") of all of the assets, undertakings and properties of **[DEBTOR'S NAME]** acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Supreme Court of British Columbia and/or the Supreme Court of British Columbia (In Bankruptcy and Insolvency) (the "**Court**") dated the _____ day of _____, 202_ (the "**Order**") made in SCBC Action No. _____ and/or SCBC Action No. _____/Estate No. _____ has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded **[daily] [monthly]** not in advance on the _____ day of each month after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of _____ from time to time.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of the Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at _____.
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.
6. The charge securing this certificate shall operate to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum under this Certificate in respect of which it may issue certificates under the terms of the Order.

DATED the [REDACTED] day of [REDACTED], 201[REDACTED].

[RECEIVER'S NAME], solely in its
capacity as Receiver of the Property, and not
in its personal capacity

Per:
Name:
Title:

SCHEDULE “C”

Demand for Notice

TO: **Government of the Northwest Territories**
c/o Osler, Hoskin & Harcourt LLP
Attention: Mary Buttery, K.C., Christian Garton
Email: buttery@osler.com, cgarton@osler.com

AND TO: **PricewaterhouseCoopers Inc.**
Attention: Michelle Grant, Morag Cooper
Email: michelle.grant@pwc.com, morag.cooper@pwc.com

Re: In the matter of the Receivership of ARCTIC CANADIAN DIAMOND COMPANY LTD. and BURGUNDY DIAMONDS (CANADA) LIMITED

I hereby request that notice of all further proceedings in the above Receivership be sent to me in the following manner:

1. By email, at the following address (or addresses):

OR

2. By mail, at the following address:

Name of Creditor: _____

Name of Counsel (if any): _____

Creditor's Contact Address: _____

Creditor's Contact Phone Number: _____



This is the first affidavit
of Robert Jenkins in this case
and was made on July 13, 2026.

No. S-263255
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, C. C-36 AS AMENDED

AND

IN THE MATTER OF THE PLAN OF COMPROMISE OR ARRANGEMENT OF
ARCTIC CANADIAN DIAMOND COMPANY LTD., AND BURGUNDY
DIAMONDS (CANADA) LIMITED

PETITIONERS

AFFIDAVIT

I, Robert Jenkins, Deputy Minister of Environment and Climate Change, of Government of the Northwest Territories, P.O. Box 1320, Yellowknife, NT, X1A 2L9, AFFIRM THAT:

1. I am a Deputy Minister of Environment and Climate Change with the Government of the Northwest Territories ("GNWT"), and as such have personal knowledge of the matters to which I now depose except where stated to be based on information and belief and where so stated I state the source of my information and believe them to be true.
2. GNWT applies for an order (the "**Receivership Order**"):
 - (a) abridging the time for service of GNWT's notice of application;
 - (b) terminating the stay of proceedings and associated relief granted to the respondents, Arctic Canadian Diamond Company Ltd. ("**ACDC**") and Burgundy Diamonds (Canada) Limited ("**BDC**") and collectively with ACDC, the "**Burgundy Respondents**") under the Companies' Creditors Arrangement Act, R.S.C. 1985, c-36, as amended ("**CCAA**") in these proceedings (the "**CCAA Proceedings**");
 - (c) discharging FTI Consulting Inc. ("**FTI**") as monitor (the "**Monitor**") in the CCAA Proceedings, approving the Monitor's activities, and permitting the Monitor to

fulfill its final completion obligations in the CCAA Proceedings and assist the Receiver (as defined below) with transition and other activities; and

- (d) appointing PricewaterhouseCoopers Inc. (“**PwC**”) as receiver and manager (the “**Receiver**”) of the Ekati Mine (as defined below) and all other property, assets, and undertakings of the Burgundy Respondents pursuant to section 39 of the Law and Equity Act, R.S.B.C. 1996, c. 253 (the “**LEA**”).

The SISP Outcome and DIP Loan Funding

- 3. On May 11, 2026, the Supreme Court of British Columbia granted an order (the “**SISP Order**”) approving a sale and investment solicitation process (the “**SISP**”).
- 4. In accordance with the SISP Order, the business and assets of the Burgundy Respondents were marketed for eight weeks. “Phase 1” of the SISP required that any interested “Potential Bidder” deliver a non-binding letter of intent to the Monitor by no later than 5:00 p.m. Pacific on July 10, 2026 (the “**Bid Deadline**”).
- 5. GNWT has had regular discussions with the Monitor, counsel to the Burgundy Respondents and others throughout the SISP and understands that:
 - (a) the Monitor did not receive any compliant bids in the SISP before the Bid Deadline;
 - (b) funds available to the Burgundy Respondents under its interim financing loan (the “**DIP Loan**”) from Canada Enterprise Emergency Funding Corporation (“**CEEFC**”) in Phase 1 of the SISP are fully drawn; and
 - (c) no further DIP Loan funding is available to the Burgundy Respondents given the outcome of Phase 1 of the SISP.
- 6. GNWT has received a cash flow analysis from the Monitor dated July 6, 2026, which shows that the Burgundy Respondents are expected to run out of all cash the week ending July 17, 2026, if no further funding is obtained. Attached as **Exhibit “A”** to this affidavit is a copy of the cash flow analysis.

Transition to the Reclamation and Need for Receivership

7. In light of the expected outcome of the SISF and the Burgundy Respondents' upcoming liquidity crisis, GNWT has worked closely with the Monitor, the Burgundy Respondents, counsel to the Burgundy Respondents, and PwC as proposed Receiver to plan for an orderly transition of the Ekati Mine back to GNWT for the purpose of environmental remediation and reclamation (the "**Reclamation**"). The agreed path forward is a receivership appointment.
8. All parties agree that it will take approximately 5 weeks to responsibly and efficiently shut down mining operations at the Ekati Mine as a first step of, and facilitating the Reclamation work (the "**Transition Period**").
9. The Transition Period is critical because an immediate or disorderly termination of operations may risk causing significant environmental harm to the Ekati Mine area.
10. GNWT currently has access to or holds the following security which may fund the Transition Period and the Reclamation, as applicable:
 - (a) approximately \$303 million in cash, surety bonds, and trust funds held pursuant to the *Waters Act*, SNWT 2014, c 18, and associated regulations;
 - (b) approximately \$20 million in cash held pursuant to an Environmental Agreement amongst the GNWT, Canada, and ACDC; and
 - (c) approximately \$3.9 million in cash, surety bonds and trust funds held pursuant to various permits under the *Mackenzie Valley Resource Management Act*, SC 1998, c25, and associated regulations.(collectively, the "**Environmental Security Funds**").
11. To contribute the Environmental Security Funds for their intended purpose, GNWT requires the protections afforded by placing the Ekati Mine under receivership, and the appointment of PwC as Receiver to manage the Ekati Mine during both the Transition Period and the Reclamation.
12. PwC has agreed to act as receiver and manager of the Ekati Mine and all other property, assets, and undertakings of the Burgundy Respondents. PwC is a licensed trustee within

the meaning of section 2 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c B-3 (the “BIA”), is qualified to act as receiver, and is acceptable to GNWT. Attached as **Exhibit “B”** to this affidavit is a copy of PwC’s consent to act as receiver.

The CCAA Completion Costs

13. GNWT understands from the Monitor, the Monitor’s counsel, and counsel to the Burgundy Respondents that the professional fees of these parties are fully paid up to June 30, 2026, and if the Receivership Order is granted, the estimated remaining professional fees of these parties to complete any final steps or obligations is less than the amount of the “Administration Charge” granted by the amended and restated initial order of this Court pronounced on May 11, 2026.

Remote commissioning declarations

14. I acknowledge the solemnity of making a sworn statement/solemn declaration and acknowledge the consequences of making an untrue statement.
15. I was not physically present before the person before whom this affidavit was sworn or affirmed but was in that person’s presence using video conferencing.

AFFIRMED BEFORE ME at Vancouver,)
British Columbia, on July 13, 2026.)



A Commissioner for taking affidavits for)
British Columbia)



Robert Jenkins

MAYA CHURILOV
BARRISTER & SOLICITOR
Osler, Hoskin & Harcourt LLP
Suite 3000, Bentall Four
1055 Dunsmuir Street
Vancouver, BC V7X 1K8
TELEPHONE: 604.692.2781

This is Exhibit "A" referred to in the
Affidavit #1 of Robert Jenkins
affirmed before me at Vancouver,
BC, this 13th day of July 2026



A Commissioner/Notary Public for the
Province of British Columbia

Arctic Canadian Diamond Company Ltd. and Burgundy Diamonds (Canada) Limited
Cumulative Variance Analysis on Cash Flow Statement
For the 9-week period ending July 3, 2026

Cumulative Variance Analysis				
Week Ending	Week 9	Week 9	Week 9	
(C\$000s)	3-Jul-26	3-Jul-26	3-Jul-26	%
	Actual	Forecast	Variance	Variance
Operating Receipts				
Diamond Sales	\$ 21,210	\$ 29,387	\$ (8,177)	(28)%
The variance is largely timing related as a result of the delay of 2605 batch sale to July 2. Approximately \$5.6 million is expected to be caught up this week. The remaining \$2.6 million is expected to be caught up during the first week of Phase 2.				
GST Refunds	\$ 293	\$ 953	\$ (660)	(69)%
Partly due to timing delay of GST refund; Offset by quarterly fuel excise tax refund not included in forecast. Not expected to reverse in Phase 1 due to refunds being held by CRA pending GST audit.				
Other Receipts	1,167	-	1,167	-
- Approximately \$567,000 represents collection of receivables from pre-filing parts sale. The remaining approximately \$600,000 relates to interest on environmental trust funds received in Week 9.				
Total Operating Receipts	22,670	30,340	(7,670)	(25)%
Operating Disbursements				
Payroll and Benefits	(11,763)	(10,928)	835	8%
Timing variance of approximately \$1.3 million due to the July 6 payroll being funded in advance; Offset by permanent variance due to employee resignations.				
Procon (Labour & Equipment)	(5,386)	(5,386)	-	-
Flights	(1,206)	(1,040)	166	16%
Freight and Transportation	(791)	(855)	(64)	(8)%
Equipment Rental	(1)	-	1	-
Site Services and Consumables	(1,601)	(1,080)	521	48%
Repair and Maintenance - Equipment	(4,950)	(6,300)	(1,350)	(21)%
Permanent variance due to demand for prepayment by Domco and higher spending.				
Labour (other than Procon)	(466)	(270)	196	73%
Permanent variance due to deposit and higher prepayment required by Built for annual maintenance works				
Explosives	(401)	(513)	(112)	(22)%
Timing variance due to invoicing delay by vendors and expected to reverse in the coming weeks.				
Fire Suppression	(69)	(140)	(71)	(51)%
Timing variance due to invoicing delay by vendor and expected to reverse in the coming weeks.				
Repair and Maintenance - Vehicles	(312)	(170)	142	84%
Timing variance expected to reverse in the coming weeks. Rolling forecast has been adjusted.				
Insurance and Banking	(430)	(430)	-	-
Utilities	(185)	(450)	(265)	(59)%
Timing variance expected to reverse in the coming weeks. Rolling forecast has been adjusted.				
Software	(212)	(450)	(238)	(53)%
Timing variance expected to reverse in the coming weeks. Rolling forecast has been adjusted.				
Health & Safety	(1,372)	(450)	922	205%
Timing variance due to prepayment for environmental consultants. Not expected to reverse by the end of Phase 1.				
GNWT Mineral Leases	-	(903)	(903)	(100)%
Payments are deferred to Phase 2 pending clarity on path forward.				
Selling and Distribution	(418)	(423)	(5)	(1)%
Variance due to higher commission payable than forecast, offset by timing variance of delay in sales.				
Other Professional Fees	(283)	-	283	-
Actual expenses include pension audit, monthly tax services, DIP Lender's professional fees.				
Other Operating Expenses	(2,389)	(2,700)	(311)	(12)%
Actual expenses primarily relate to (i) temporary labour costs of Sable OP and employee backfill; and (ii) quarterly worker's safety and compensation payments.				
Contingency	-	(2,450)	(2,450)	(100)%
Contingency unused.				
Total Operating Disbursements	(32,235)	(34,937)	(2,703)	(8)%
Net Change in Cash from Operations	(9,565)	(4,598)	4,967	108%
Non-Operating Receipts and Disbursements				
Capex	(1,036)	(3,993)	(2,957)	(74)%
Primarily attributable to the Wash Plant and the new DPRT. The Wash Plant Capex has been delayed and all related costs are under review. Final amount on the new DPRT has yet to become due. All amounts are deferred to Phase 2.				
Capex - Fox Underground	-	(335)	(335)	(100)%
Timing variance expected to reverse in Phase 2.				
Restructuring Professional Fees	(1,032)	(1,350)	(318)	(24)%
Timing variance expected to reverse this week.				
Others	(2,175)	(6,300)	(4,125)	(65)%
Variance is due to certain surety premiums being paid in monthly installments instead of lump sum. Actual payments include approx. \$1.4 million of IBA payments and approx. \$750k of surety monthly installments.				
Net Change in Cash from Non-Operating Activities	(4,243)	(11,978)	(7,734)	(65)%
Financing				
DIP Facility	7,500	4,600	2,900	(63)%
Net Change in Cash from Financing	7,500	4,600	2,900	(63)%
Net Change in Cash	(6,308)	(11,975)	5,667	(47)%
Opening Cash	14,997	14,997	-	-
Ending Cash	\$ 8,689	\$ 3,021	\$ 5,667	188%
Concomitant Calculation				
DIP Covenants				
Total Receipts (less than 10% of unfavourable variance)				
(25)%				
Total disbursements (less than 10% of unfavourable variance)				
(22)%				
Cash flow before DIP Advances (not exceeding \$3M of unfavourable variance)				
\$ 5,667				
Complied with DIP Term Sheet?				
Fall				
Pass				
Pass				

Arctic Canadian Diamond Company Ltd. and Burgundy Diamonds (Canada) Limited
Actual Cash Flow

Week Ending (CAD in thousands)	Week 1 8-May-26 Actual	Week 2 15-May-26 Actual	Week 3 22-May-26 Actual	Week 4 29-May-26 Actual	Week 5 5-Jun-26 Actual	Week 6 12-Jun-26 Actual	Week 7 19-Jun-26 Actual	Week 8 26-Jun-26 Actual	Week 9 3-Jul-26 Actual	Week 10 10-Jul-26 Forecast	Week 11 17-Jul-26 Actual	Week 12 24-Jul-26 Forecast	Week 13 31-Jul-26 Actual	Week 14 7-Aug-26 Forecast	Week 15 14-Aug-26 Actual	Week 16 21-Aug-26 Forecast	Week 17 28-Aug-26 Actual
Operating Receipts																	
Diamond Sales	\$ -	\$ 2,911	\$ 1,281	\$ 8,597	\$ 4,558	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
GST Refunds	-	293	-	-	-	-	-	-	3,862	-	-	-	-	-	-	-	-
Other Receipts	-	20	-	548	-	-	-	-	600	-	-	-	-	-	-	-	-
Total Operating Receipts	-	3,224	1,281	9,145	4,558	-	-	-	4,462	-	-	-	-	-	-	-	-
Operating Disbursements																	
Payroll and Benefits	(1,681)	(905)	(1,997)	(779)	(1,519)	(1,150)	(1,338)	(1,070)	(1,324)	-	-	-	-	-	-	-	-
Procon (labour & equipment)	(398)	(398)	(398)	(598)	(398)	(398)	(598)	(398)	(398)	-	-	-	-	-	-	-	-
Flight and Transportation	(80)	(125)	(130)	(82)	(131)	(321)	(17)	(89)	(25)	-	-	-	-	-	-	-	-
Site Services and Consumables	(206)	(115)	(428)	(170)	(144)	(140)	(139)	(134)	(124)	-	-	-	-	-	-	-	-
Repair and Maintenance - Equipment	(606)	(609)	(934)	(708)	(431)	(460)	(497)	(430)	(257)	-	-	-	-	-	-	-	-
Labour (other than Procon)	(31)	(36)	(250)	(48)	(30)	(30)	(30)	(30)	(30)	-	-	-	-	-	-	-	-
Explosives	(48)	(48)	(48)	(48)	(48)	(48)	(48)	(48)	(65)	-	-	-	-	-	-	-	-
Fire Suppression	-	(0)	(27)	(39)	-	(1)	-	-	(2)	-	-	-	-	-	-	-	-
Repair and Maintenance - Vehicles	(18)	(424)	-	-	(29)	(52)	(40)	(136)	(21)	-	-	-	-	-	-	-	-
Insurance and Banking	-	-	-	-	-	(6)	-	-	(82)	-	-	-	-	-	-	-	-
Utilities	-	-	-	-	(19)	-	-	-	(44)	-	-	-	-	-	-	-	-
Software	-	-	-	-	-	(104)	(30)	-	(78)	-	-	-	-	-	-	-	-
Health & Safety	(397)	(185)	(93)	(200)	-	(104)	(263)	(62)	(11)	-	-	-	-	-	-	-	-
Owner Mineral Leases	-	-	-	-	(417)	-	-	-	(11)	-	-	-	-	-	-	-	-
Professional Fees	-	-	-	-	-	-	-	-	(107)	-	-	-	-	-	-	-	-
Other Professional Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Operating Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contingency	(21)	(385)	(293)	(223)	(593)	(147)	(419)	(202)	(107)	-	-	-	-	-	-	-	-
Total Operating Disbursements	(3,901)	(3,885)	(4,803)	(6,032)	(4,045)	(3,489)	(3,445)	(2,793)	(2,962)	-	-	-	-	-	-	-	-
Net Change in Cash from Operations	(3,901)	(461)	(3,523)	6,032	514	(3,489)	(3,445)	(2,793)	1,500	-	-	-	-	-	-	-	-
Non-Operating Receipts and Disbursements																	
Capex - For Underground	(158)	(402)	-	-	(153)	(309)	-	-	(14)	-	-	-	-	-	-	-	-
Restructuring Professional Fees	(204)	(230)	-	(89)	(99)	(410)	-	-	-	-	-	-	-	-	-	-	-
Private Royalties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	(715)	-	-	-	-	(1,460)	-	-	-	-	-	-	-	-	-	-
Net Change in Cash from Non-Operating Activities	(842)	(1,348)	-	(89)	(252)	(719)	(1,460)	-	(14)	-	-	-	-	-	-	-	-
Financing																	
Interim Financing	-	-	-	-	-	7,500	-	-	-	-	-	-	-	-	-	-	-
Net Change in Cash from Financing	-	-	-	-	-	7,500	-	-	-	-	-	-	-	-	-	-	-
Net Change in Cash	(4,262)	(1,809)	(3,523)	5,943	262	3,293	(4,905)	(2,793)	1,486	-	-	-	-	-	-	-	-
Opening Cash	14,997	10,734	8,975	5,403	11,346	11,608	14,900	9,995	7,203	8,689	8,689	8,689	8,689	8,689	8,689	8,689	8,689
Ending Cash	\$ 10,734	\$ 8,925	\$ 5,403	\$ 11,346	\$ 11,608	\$ 14,900	\$ 9,995	\$ 7,203	\$ 8,689	\$ 8,689	\$ 8,689	\$ 8,689	\$ 8,689	\$ 8,689	\$ 8,689	\$ 8,689	\$ 8,689
Opening Interim Financing Balance	-	-	150	150	151	151	7,651	7,651	7,651	7,715	7,715	8,465	8,465	8,555	8,555	8,555	8,555
Fees	-	150	-	-	-	-	-	-	-	-	750	-	-	-	-	-	-
Advances	-	-	-	-	-	7,500	-	-	65	-	-	-	-	-	-	-	-
Interest Applied to Interim Financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Interim Financing Balance	\$ -	\$ 150	\$ 150	\$ 151	\$ 151	\$ 7,651	\$ 7,651	\$ 7,651	\$ 7,715	\$ 7,715	\$ 8,465	\$ 8,465	\$ 8,555	\$ 8,555	\$ 8,555	\$ 8,555	\$ 8,555

Arctic Canadian Diamond Company Ltd. and Burgundy Diamonds (Canada) Limited
Actual Cash Flow

Week Ending 4-Sep-26 Forecast	Week 18 4-Sep-26 Forecast	Week 19 11-Sep-26 Actual	Week 20 18-Sep-26 Forecast	Week 21 25-Sep-26 Actual	Week 22 2-Oct-26 Forecast	Week 23 9-Oct-26 Actual	Week 24 16-Oct-26 Forecast	Week 25 23-Oct-26 Actual	Week 26 30-Oct-26 Forecast	Week 27 6-Nov-26 Actual	Week 1-27 6-Nov-26 Total
Operating Receipts											
Diamond Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,210
GST Refunds	-	-	-	-	-	-	-	-	-	-	293
Other Receipts	-	-	-	-	-	-	-	-	-	-	1,167
Total Operating Receipts											22,670
Operating Disbursements											
Payroll and Benefits	-	-	-	-	-	-	-	-	-	-	(11,763)
Procon (Labour & Equipment)	-	-	-	-	-	-	-	-	-	-	(5,386)
Flight and Transportation	-	-	-	-	-	-	-	-	-	-	(1,258)
Site Services and Consumables	-	-	-	-	-	-	-	-	-	-	(791)
Repair and Maintenance - Equipment	-	-	-	-	-	-	-	-	-	-	(1,601)
Labour (other than Procon)	-	-	-	-	-	-	-	-	-	-	(4,950)
Explosives	-	-	-	-	-	-	-	-	-	-	(466)
Fire Suppression	-	-	-	-	-	-	-	-	-	-	(401)
Repair and Maintenance - Vehicles	-	-	-	-	-	-	-	-	-	-	(69)
Insurance and Banking	-	-	-	-	-	-	-	-	-	-	(312)
Utilities	-	-	-	-	-	-	-	-	-	-	(430)
Software	-	-	-	-	-	-	-	-	-	-	(185)
Health & Safety	-	-	-	-	-	-	-	-	-	-	(212)
Owner Mineral Leases	-	-	-	-	-	-	-	-	-	-	(1,372)
Shareholder Payouts	-	-	-	-	-	-	-	-	-	-	(418)
Other Professional Fees	-	-	-	-	-	-	-	-	-	-	(283)
Other Operating Expenses	-	-	-	-	-	-	-	-	-	-	(2,389)
Contingency	-	-	-	-	-	-	-	-	-	-	-
Total Operating Disbursements											(32,235)
Net Change in Cash from Operations											(9,565)
Non-Operating Receipts and Disbursements											
Grants	-	-	-	-	-	-	-	-	-	-	(1,036)
Capex - For Underground	-	-	-	-	-	-	-	-	-	-	-
Restructuring Professional Fees	-	-	-	-	-	-	-	-	-	-	(1,032)
Private Royalties	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	(2,175)
Net Change in Cash from Non-Operating Activities											(4,243)
Financing											
Interim Financing	-	-	-	-	-	-	-	-	-	-	7,500
Net Change in Cash from Financing											7,500
Net Change in Cash											(6,308)
Opening Cash	\$ 8,689	\$ 8,689	\$ 8,689	\$ 8,689	\$ 8,689	\$ 8,689	\$ 8,689	\$ 8,689	\$ 8,689	\$ 8,689	14,597
Ending Cash	\$ 8,689	\$ 8,689	\$ 8,689	\$ 8,689	\$ 8,689	\$ 8,689	\$ 8,689	\$ 8,689	\$ 8,689	\$ 8,689	8,689
Opening Interim Financing Balance	-	-	-	-	-	-	-	-	-	-	-
Fees	8,555	8,674	8,674	8,674	8,674	8,771	8,771	8,771	8,771	8,868	900
Advances	-	-	-	-	-	-	-	-	-	-	7,500
Interest Applied to Interim Financing	119	-	-	-	-	96	-	-	-	98	468
Ending Interim Financing Balance	\$ 8,674	\$ 8,674	\$ 8,674	\$ 8,674	\$ 8,771	\$ 8,771	\$ 8,771	\$ 8,771	\$ 8,868	\$ 8,868	8,868

Arctic Canadian Diamond Company Ltd. and Burgundy Diamonds (Canada) Limited
Second Cash Flow Statement
For the 27-week period ending November 6, 2026

Week Ending																	
(CAD in thousands)																	
	Week 1 8-May-26 Forecast	Week 2 15-May-26 Forecast	Week 3 22-May-26 Forecast	Week 4 29-May-26 Forecast	Week 5 5-Jun-26 Forecast	Week 6 12-Jun-26 Forecast	Week 7 19-Jun-26 Forecast	Week 8 26-Jun-26 Forecast	Week 9 3-Jul-26 Forecast	Week 10 10-Jul-26 Forecast	Week 11 17-Jul-26 Forecast	Week 12 24-Jul-26 Forecast	Week 13 31-Jul-26 Forecast	Week 14 7-Aug-26 Forecast	Week 15 14-Aug-26 Forecast	Week 16 21-Aug-26 Forecast	Week 17 28-Aug-26 Forecast
Operating Receipts																	
Diamond Sales	[1]	\$ -	\$ -	\$ 11,461	\$ 7,641	\$ -	\$ 2,472	\$ 5,347	\$ 2,466	\$ -	\$ -	\$ -	\$ 8,315	\$ 5,543	\$ -	\$ -	\$ -
GST Refunds		-	-	-	627	-	-	5,347	2,793	-	-	327	8,315	5,543	-	-	327
Total Operating Receipts		-	-	11,461	8,267	-	2,472	5,347	2,793	-	-	327	8,315	5,543	-	-	327
Operating Disbursements																	
Payroll and Benefits	[2]	(1,400)	(1,332)	(1,332)	(1,332)	(1,400)	(1,332)	(1,400)	(1,332)	(1,573)	(1,380)	(4,767)	(1,380)	(1,573)	(1,380)	(1,573)	(1,380)
Procon (Labour & Equipment)	[3]	(598)	(598)	(598)	(598)	(598)	(598)	(598)	(598)	(598)	(598)	(598)	(598)	(598)	(598)	(598)	(598)
Flights		(480)	(70)	(70)	(70)	(70)	(70)	(70)	(70)	(70)	(70)	(70)	(70)	(70)	(70)	(70)	(70)
Freight and Transportation	[4]	(95)	(95)	(95)	(95)	(95)	(95)	(95)	(95)	(95)	(95)	(95)	(95)	(95)	(95)	(95)	(95)
Site Services and Consumables	[5]	(120)	(120)	(120)	(120)	(120)	(120)	(120)	(120)	(120)	(120)	(120)	(120)	(120)	(120)	(120)	(120)
Repair and Maintenance - Equipment	[6]	(700)	(700)	(700)	(700)	(700)	(700)	(700)	(700)	(700)	(700)	(700)	(700)	(700)	(700)	(700)	(700)
Labour (other than Procon)		(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)
Explosives		(57)	(57)	(57)	(57)	(57)	(57)	(57)	(57)	(57)	(57)	(57)	(57)	(57)	(57)	(57)	(57)
Fire Suppression		(70)	(70)	(70)	(70)	(70)	(70)	(70)	(70)	(70)	(70)	(70)	(70)	(70)	(70)	(70)	(70)
Repair and Maintenance - Vehicles		(85)	-	-	-	(85)	-	-	-	(85)	-	-	-	(85)	-	-	-
Insurance and Banking		-	(424)	-	-	(6)	-	-	-	-	(825)	-	-	-	(406)	-	-
Utilities		(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)
Software		(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)
Health & Safety		(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)
GNWT Mineral Leases		(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)
Selling and Distribution		(903)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Professional Fees		(222)	-	-	-	-	-	(201)	-	-	-	-	-	-	-	-	(122)
Other Operating Expenses	[7]	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(100)	-	-	-	-	-	-	-
Contingency	[8]	(450)	(250)	(250)	(250)	(250)	(250)	(250)	(300)	(425)	(425)	(425)	(425)	(425)	(425)	(425)	(250)
Total Operating Disbursements		(4,465)	(4,126)	(4,965)	(3,702)	(3,855)	(3,708)	(3,974)	(2,370)	(4,253)	(4,700)	(7,262)	(3,945)	(4,153)	(4,281)	(4,068)	(4,067)
Net Change in Cash from Operations		(4,465)	(4,126)	6,496	4,565	3,585	1,577	(1,181)	(2,370)	(4,253)	(4,700)	(6,936)	4,369	1,390	(4,281)	(4,068)	(3,741)
Non-Operating Receipts and Disbursements																	
Capex	[9]	(615)	(617)	(2,213)	(41)	(300)	(181)	-	(26)	-	(4,564)	(584)	-	(3,463)	(2,050)	(1,373)	(1,213)
Capex - Fox Underground	[10]	(125)	(30)	-	(25)	(30)	(100)	(25)	-	-	(657)	(50)	(25)	(180)	(110)	(385)	-
Restructuring Professional Fees	[11]	-	(750)	-	-	(600)	-	-	-	(600)	-	-	-	-	-	(600)	-
Private Royalties		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others		-	(700)	(4,561)	(339)	-	(700)	-	-	-	(700)	-	-	(12)	(700)	-	-
Net Change in Cash from Non-Operating Activities	[12]	(740)	(2,097)	(6,774)	(403)	(881)	(700)	(25)	(26)	(600)	(5,921)	(634)	(25)	(4,025)	(2,930)	(2,083)	(1,598)
Financing																	
Interim Financing	[13]	-	-	-	-	2,000	-	200	2,400	4,900	10,600	7,600	-	-	3,500	6,100	5,400
Net Change in Cash from Financing		-	-	-	-	2,000	-	200	2,400	4,900	10,600	7,600	-	-	3,500	6,100	5,400
Net Change in Cash		(5,205)	(6,224)	(278)	4,160	(4,185)	(117)	877	(1,066)	47	(21)	30	4,344	(2,635)	(3,711)	(51)	62
Opening Cash		14,997	9,791	3,567	3,290	7,450	3,148	4,024	3,018	3,021	3,068	3,047	3,077	7,422	4,787	1,075	1,024
Ending Cash	\$	\$ 9,791	\$ 3,567	\$ 3,290	\$ 7,450	\$ 3,264	\$ 3,148	\$ 4,024	\$ 3,018	\$ 3,068	\$ 3,047	\$ 3,077	\$ 7,422	\$ 4,787	\$ 1,075	\$ 1,024	\$ 1,086
Operating Interim Financing Balance																	
Fees		-	150	150	151	151	151	2,151	2,151	4,770	9,670	21,020	28,620	28,798	28,798	32,298	38,398
Advances		-	150	-	-	-	-	-	-	-	750	750	-	-	-	-	-
Interest Applied to Interim Financing		-	-	-	-	2,000	-	200	2,400	4,900	10,600	7,600	-	-	3,500	6,100	5,400
Ending Interim Financing Balance	\$	\$ -	\$ 150	\$ 150	\$ 151	\$ 151	\$ 2,151	\$ 2,151	\$ 2,351	\$ 4,770	\$ 9,670	\$ 21,020	\$ 28,798	\$ 28,798	\$ 32,298	\$ 38,398	\$ 43,798

[illegible]

Week Ending (CAD in thousands)	
Operating Receipts	
Diamond Sales	
GST Refunds	
Other Receipts	
Total Operating Receipts	
Operating Disbursements	
Regular Payroll	
Key Employee Retention Plan	
Unpaid Vacation	
Severance/Bonus for Union Workers	
Procon (Labour & Equipment)	
Flights	
Fuel	
Freight and Transportation	
Equipment Rental	
Site Services and Consumables	
Repair and Maintenance - Equipment	
Labour (other than Procon)	
Explosives	
Fire Suppression	
Repair and Maintenance - Vehicles	
Insurance and Banking	
Utilities	
Software	
Health & Safety	
GNWT Mineral Leases	
Tax	
Winter Road Cash Calls	
Road Trains	
Winter Road Purchases	
Selling and Distribution	

Other Professional Fees
Other Operating Expenses
Contingency
Total Operating Disbursements
Net Change in Cash from Operations
Non-Operating Receipts and Disbursements
Capex
Capex - Fox Underground
Restructuring Professional Fees
Private Royalties
Others
Net Change in Cash from Non-Operating Activities
Financing
LETL Loan
Interim Financing
Net Change in Cash from Financing
Net Change in Cash
Opening Cash
Ending Cash

[illegible]

Account		Week 1		Week 2		Week 3		Week 4		Week 5		Week 6		Week 7		Week 8		Week 9		Week 10		Week 11		Week 12		Week 13		Week 14		Week 15		Week 16		Week 17		Week 18		Week 19		Week 20		Week 21		Week 22		Week 23		Week 24		Week 25		Week 26		Week 27		Week 28		Week 29		Week 30		Week 31		Week 32		Week 33		Week 34		Week 35		Week 36		Week 37		Week 38		Week 39		Week 40		Week 41		Week 42		Week 43		Week 44		Week 45		Week 46		Week 47		Week 48		Week 49		Week 50		Week 51		Week 52		Week 53		Week 54		Week 55		Week 56		Week 57		Week 58		Week 59		Week 60		Week 61		Week 62		Week 63		Week 64		Week 65		Week 66		Week 67		Week 68		Week 69		Week 70		Week 71		Week 72		Week 73		Week 74		Week 75		Week 76		Week 77		Week 78		Week 79		Week 80		Week 81		Week 82		Week 83		Week 84		Week 85		Week 86		Week 87		Week 88		Week 89		Week 90		Week 91		Week 92		Week 93		Week 94		Week 95		Week 96		Week 97		Week 98		Week 99		Week 100		Week 101		Week 102		Week 103		Week 104		Week 105		Week 106		Week 107		Week 108		Week 109		Week 110		Week 111		Week 112		Week 113		Week 114		Week 115		Week 116		Week 117		Week 118		Week 119		Week 120		Week 121		Week 122		Week 123		Week 124		Week 125		Week 126		Week 127		Week 128		Week 129		Week 130		Week 131		Week 132		Week 133		Week 134		Week 135		Week 136		Week 137		Week 138		Week 139		Week 140		Week 141		Week 142		Week 143		Week 144		Week 145		Week 146		Week 147		Week 148		Week 149		Week 150		Week 151		Week 152		Week 153		Week 154		Week 155		Week 156		Week 157		Week 158		Week 159		Week 160		Week 161		Week 162		Week 163		Week 164		Week 165		Week 166		Week 167		Week 168		Week 169		Week 170		Week 171		Week 172		Week 173		Week 174		Week 175		Week 176		Week 177		Week 178		Week 179		Week 180		Week 181		Week 182		Week 183		Week 184		Week 185		Week 186		Week 187		Week 188		Week 189		Week 190		Week 191		Week 192		Week 193		Week 194		Week 195		Week 196		Week 197		Week 198		Week 199		Week 200		Week 201		Week 202		Week 203		Week 204		Week 205		Week 206		Week 207		Week 208		Week 209		Week 210		Week 211		Week 212		Week 213		Week 214		Week 215		Week 216		Week 217		Week 218		Week 219		Week 220		Week 221		Week 222		Week 223		Week 224		Week 225		Week 226		Week 227		Week 228		Week 229		Week 230		Week 231		Week 232		Week 233		Week 234		Week 235		Week 236		Week 237		Week 238		Week 239		Week 240		Week 241		Week 242		Week 243		Week 244		Week 245		Week 246		Week 247		Week 248		Week 249		Week 250		Week 251		Week 252		Week 253		Week 254		Week 255		Week 256		Week 257		Week 258		Week 259		Week 260		Week 261		Week 262		Week 263		Week 264		Week 265		Week 266		Week 267		Week 268		Week 269		Week 270		Week 271		Week 272		Week 273		Week 274		Week 275		Week 276		Week 277		Week 278		Week 279		Week 280		Week 281		Week 282		Week 283		Week 284		Week 285		Week 286		Week 287		Week 288		Week 289		Week 290		Week 291		Week 292		Week 293		Week 294		Week 295		Week 296		Week 297		Week 298		Week 299		Week 300		Week 301		Week 302		Week 303		Week 304		Week 305		Week 306		Week 307		Week 308		Week 309		Week 310		Week 311		Week 312		Week 313		Week 314		Week 315		Week 316		Week 317		Week 318		Week 319		Week 320		Week 321		Week 322		Week 323		Week 324		Week 325		Week 326		Week 327		Week 328		Week 329		Week 330		Week 331		Week 332		Week 333		Week 334		Week 335		Week 336		Week 337		Week 338		Week 339		Week 340		Week 341		Week 342		Week 343		Week 344		Week 345		Week 346		Week 347		Week 348		Week 349		Week 350		Week 351		Week 352		Week 353		Week 354		Week 355		Week 356		Week 357		Week 358		Week 359		Week 360		Week 361		Week 362		Week 363		Week 364		Week 365		Week 366		Week 367		Week 368		Week 369		Week 370		Week 371		Week 372		Week 373		Week 374		Week 375		Week 376		Week 377		Week 378		Week 379		Week 380		Week 381		Week 382		Week 383		Week 384		Week 385		Week 386		Week 387		Week 388		Week 389		Week 390		Week 391		Week 392		Week 393		Week 394		Week 395		Week 396		Week 397		Week 398		Week 399		Week 400		Week 401		Week 402		Week 403		Week 404		Week 405		Week 406		Week 407		Week 408		Week 409		Week 410		Week 411		Week 412		Week 413		Week 414		Week 415		Week 416		Week 417		Week 418		Week 419		Week 420		Week 421		Week 422		Week 423		Week 424		Week 425		Week 426		Week 427		Week 428		Week 429		Week 430		Week 431		Week 432		Week 433		Week 434		Week 435		Week 436		Week 437		Week 438		Week 439		Week 440		Week 441		Week 442		Week 443		Week 444		Week 445		Week 446		Week 447		Week 448		Week 449		Week 450		Week 451		Week 452		Week 453		Week 454		Week 455		Week 456		Week 457		Week 458		Week 459		Week 460		Week 461		Week 462		Week 463		Week 464		Week 465		Week 466		Week 467		Week 468		Week 469		Week 470		Week 471		Week 472		Week 473		Week 474		Week 475		Week 476		Week 477		Week 478		Week 479		Week 480		Week 481		Week 482		Week 483		Week 484		Week 485		Week 486		Week 487		Week 488		Week 489		Week 490		Week 491		Week 492		Week 493		Week 494		Week 495		Week 496		Week 497		Week 498		Week 499		Week 500		Week 501		Week 502		Week 503		Week 504		Week 505		Week 506		Week 507		Week 508		Week 509		Week 510		Week 511		Week 512		Week 513		Week 514		Week 515		Week 516		Week 517		Week 518		Week 519		Week 520		Week 521		Week 522		Week 523		Week 524		Week 525		Week 526		Week 527		Week 528		Week 529		Week 530		Week 531		Week 532		Week 533		Week 534		Week 535		Week 536		Week 537		Week 538		Week 539		Week 540		Week 541		Week 542		Week 543		Week 544		Week 545		Week 546		Week 547		Week 548		Week 549		Week 550		Week 551		Week 552		Week 553		Week 554		Week 555		Week 556		Week 557		Week 558		Week 559		Week 560		Week 561		Week 562		Week 563		Week 564		Week 565		Week 566		Week 567		Week 568		Week 569		Week 570		Week 571		Week 572		Week 573		Week 574		Week 575		Week 576		Week 577		Week 578		Week 579		Week 580		Week 581		Week 582		Week 583		Week 584		Week 585		Week 586		Week 587		Week 588		Week 589		Week 590		Week 591		Week 592		Week 593		Week 594		Week 595		Week 596		Week 597		Week 598		Week 599		Week 600		Week 601		Week 602		Week 603		Week 604		Week 605		Week 606		Week 607		Week 608		Week 609		Week 610		Week 611		Week 612		Week 613		Week 614		Week 615		Week 616		Week 617		Week 618		Week 619		Week 620		Week 621		Week 622		Week 623		Week 624		Week 625		Week 626		Week 627		Week 628		Week 629		Week 630		Week 631		Week 632		Week 633		Week 634		Week 635		Week 636		Week 637		Week 638		Week 639		Week 640		Week 641		Week 642		Week 643		Week 644		Week 645		Week 646		Week 647		Week 648		Week 649		Week 650		Week 651		Week 652		Week 653		Week 654		Week 655		Week 656		Week 657		Week 658		Week 659		Week 660		Week 661		Week 662		Week 663		Week 664		Week 665		Week 666		Week 667		Week 668		Week 669		Week 670		Week 671		Week 672		Week 673		Week 674		Week 675		Week 676		Week 677		Week 678		Week 679		Week 680		Week 681		Week 682		Week 683		Week 684		Week 685		Week 686		Week 687		Week 688		Week 689		Week 690		Week 691		Week 692		Week 693		Week 694		Week 695		Week 696		Week 697		Week 698		Week 699		Week 700		Week 701		Week 702		Week 703		Week 704		Week 705		Week 706		Week 707		Week 708		Week 709		Week 710		Week 711		Week 712		Week 713		Week 714		Week 715		Week 716		Week 717		Week 718		Week 719		Week 720		Week 721		Week 722		Week 723		Week 724		Week 725		Week 726		Week 727		Week 728		Week 729		Week 730		Week 731		Week 732		Week 733		Week 734		Week 735		Week 736		Week 737		Week 738		Week 739		Week 740		Week 741		Week 742		Week 743		Week 744		Week 745		Week 746		Week 747		Week 748		Week 749		Week 750		Week 751		Week 752		Week 753		Week 754		Week 755		Week 756		Week 757		Week 758		Week 759		Week 760		Week 761		Week 762		Week 763		Week 764		Week 765		Week 766		Week 767		Week 768		Week 769		Week 770		Week 771		Week 772		Week 773		Week 774		Week 775		Week 776		Week 777		Week 778		Week 779		Week 780		Week 781		Week 782		Week 783		Week 784		Week 785		Week 786		Week 787		Week 788		Week 789		Week 790		Week 791		Week 792		Week 793		Week 794		Week 795		Week 796		Week 797		Week 798		Week 799		Week 800		Week 801		Week 802		Week 803		Week 804		Week 805		Week 806		Week 807		Week 808		Week 809		Week 810		Week 811		Week 812		Week 813		Week 814		Week 815		Week 816		Week 817		Week 818		Week 819		Week 820		Week 821		Week 822		Week 823		Week 824		Week 825		Week 826		Week 827		Week 828		Week 829		Week 830		Week 831		Week 832		Week 833		Week 834		Week 835		Week 836		Week 837		Week 838		Week 839		Week 840		Week 841		Week 842		Week 843		Week 844		Week 845		Week 846		Week 847		Week 848		Week 849		Week 850		Week 851		Week 852		Week 853		Week 854		Week 855		Week 856		Week 857		Week 858		Week 859		Week 860		Week 861		Week 862		Week 863		Week 864		Week 865		Week 866		Week 867		Week 868		Week 869		Week 870		Week 871		Week 872		Week 873		Week 874		Week 875		Week 876		Week 877		Week 878		Week 879		Week 880		Week 881		Week 882		Week 883		Week 884		Week 885		Week 886		Week 887		Week 888		Week 889		Week 890		Week 891		Week 892		Week 893		Week 894		Week 895		Week 896		Week 897		Week 898		Week 899		Week 900		Week 901		Week 902		Week 903		Week 904		Week 905		Week 906		Week 907		Week 908		Week 909		Week 910		Week 911		Week 912		Week 913		Week 914		Week 915		Week 916		Week 917		Week 918		Week 919		Week 920		Week 921		Week 922		Week 923		Week 924		Week 925		Week 926		Week 927		Week 928		Week 929		Week 930		Week 931		Week 932		Week 933		Week 934		Week 935		Week 936		Week 937		Week 938		Week 939		Week 940		Week 941		Week 942		Week 943		Week 944		Week 945		Week 946		Week 947		Week 948		Week 949		Week 950		Week 951		Week 952		Week 953		Week 954		Week 955		Week 956		Week 957		Week 958		Week 959		Week 9	
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This is Exhibit "**B**" referred to in the
Affidavit #1 of Robert Jenkins
affirmed before me at Vancouver,
BC, this 13th day of July 2026



A Commissioner/Notary Public for the
Province of British Columbia

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

THE GOVERNMENT OF THE NORTHWEST TERRITORIES

PETITIONER

AND:

ARCTIC CANADIAN DIAMOND COMPANY LTD. and
BURGUNDY DIAMONDS (CANADA) LIMITED

RESPONDENTS

CONSENT TO ACT AS RECEIVER

PricewaterhouseCoopers Inc. ("PwC"), a Licensed Insolvency Trustee under the provisions of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, hereby consents to act as Court-Appointed Receiver of the Respondents, pursuant to the terms of an order substantially in the form attached hereto as Schedule "A", as such order may be amended in a manner satisfactory to PwC.

DATED at the City of Vancouver, in the Province of British Columbia, this 13th day of July, 2026.

PRICEWATERHOUSECOOPERS INC.
(solely in its capacity as proposed Court
appointed Receiver and not in its
personal or corporate capacity)



Per: _____

Name: Morag Cooper

Title: Senior Vice President



No. [S- 263255]
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED**

AND

**IN THE MATTER OF A PLAN OF COMPROMISE AND ARRANGEMENT OF
ARTIC CANADIAN DIAMOND COMPANY LTD. AND
BURGUNDY DIAMONDS (CANADA) LIMITED**

PETITIONERS

PRE-FILING REPORT OF THE PROPOSED MONITOR

May 1, 2026

PRE-FILING REPORT OF THE PROPOSED MONITOR

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Appendix A – Cash Flow Statement for the 10-week period ending July 10, 2026

INTRODUCTION

1. FTI Consulting Canada Inc. (“**FTI Consulting**” or the “**Proposed Monitor**”) has been advised that Arctic Canadian Diamond Company Ltd. (“**ACDC**”) and Burgundy Diamonds (Canada) Limited (“**BDC**”, and together with ACDC, the “**Applicants**”) intend to make an application for an initial order (the “**Initial Order**”) to commence proceedings (the “**CCAA Proceedings**”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) and establish an initial stay of proceedings (the “**Stay of Proceedings**”) in favour of the Applicants.
2. The Initial Order extends the Stay of Proceedings to the Applicants’ parent company, Burgundy Diamond Mines Ltd. (“**Burgundy**”), a publicly traded company listed on the Australian Stock Exchange, as a non-applicant stay party.

PURPOSE

3. The purpose of this report is to provide this Honourable Court and the Applicants’ stakeholders with information with respect to the following:
 - a. an overview of the Applicants business and the causes of insolvency;
 - b. the qualifications of FTI Consulting to act as Monitor in the CCAA Proceedings;
 - c. the amount and priority of the proposed Court-ordered charges;
 - d. a cash flow statement (the “**Cash Flow Statement**”) for the 10-week period ending July 10, 2026 (the “**Forecast Period**”) as well as the key assumptions on which the Cash Flow Statement is based; and
 - e. the Proposed Monitor’s conclusions.

TERMS OF REFERENCE

4. In preparing this report, the Proposed Monitor has relied upon certain information (the “**Information**”) including the Applicants’ unaudited financial information, books and records and discussions with senior management (“**Management**”).
5. Except as described in this report, the Proposed Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook.
6. The Proposed Monitor has not examined or reviewed financial forecasts and projections referred to in this report in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook.
7. Future oriented financial information reported to be relied on in preparing this report is based on Management’s assumptions regarding future events. Actual results may vary from forecast and such variations may be material.
8. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

OVERVIEW AND CAUSES OF INSOLVENCY

9. ACDC and BDC form part of the “**Burgundy Group**”, a group of entities owned and operated by Burgundy. The Burgundy Group’s business operations are focused on the mining, production and sale of diamonds.
10. The Burgundy Group’s primary operating entity is ACDC which has owned the Ekati Mine (“**Ekati Mine**”) located in the Northwest Territories (the “**NWT**”) since 2021. The Ekati Mine is Canada’s first surface and underground diamond mine and has been operational since 1998.

11. Prior to layoffs arising from the Applicant's financial distress in 2024, ACDC employed approximately 1,000 individuals and was one of the largest employers in the NWT. In 2025, the Ekati Mine generated revenues of approximately US\$183 million from rough diamond sales and US\$4 million from polished diamond sales.
12. Challenging global market conditions including a steep decline in diamond prices since 2023 have contributed to ACDC's financial distress. Prices have fallen due to, among other factors, the increased prevalence of lab-grown diamonds, reduced demand from China and the impact of tariffs. The Burgundy Group's average price per carat declined from US\$92 at the end of 2024 to as low as US\$24 by December 2025.
13. In 2025, in an effort to address ongoing liquidity constraints, ACDC sought and obtained a loan facility of up to C\$175 million from the Canada Enterprise Emergency Funding Corporation ("**CEEFC**") pursuant to Canada's Large Enterprise Tariff Loan program (the "**LETL Facility**"). The full C\$175 million has been advanced, with respect to which CEEFC holds first-ranking security.
14. ACDC also owes approximately US\$79 million to lenders under a facility with security that ranks subordinate to the LETL Facility.
15. In respect of its reclamation obligations, ACDC provides security that includes two reclamation bonds totalling approximately C\$198 million, amounts paid into an environmental trust totalling C\$84 million, approximately C\$20 million in surety bond deposits and C\$25 million of cash collateral in trust with the Government of the Northwest Territories.
16. Despite their restructuring efforts, the Applicants have continued to incur significant losses and remain in financial distress. The Applicants are currently unable to meet their obligations as they become due, including obligations related to its secured debt and substantial trade and supplier accounts payable.

17. Further detail regarding the business and affairs of the Applicants and the causes of their insolvency is set out in the Affidavit of Brent Mierau affirmed on April 30, 2026 (the “**Mierau Affidavit**”).

PROPOSED MONITOR

18. FTI Consulting is a trustee within the meaning of section 2 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and with respect to the Applicants, is not subject to any of the restrictions on who may be appointed as Monitor as set out in section 11.7(2) of the CCAA. FTI Consulting has provided its consent to act as Monitor in the CCAA Proceedings, a copy of which is attached to the Mierau Affidavit.
19. FTI Consulting is familiar with the business and operations of the Applicants and the key stakeholders in the CCAA Proceedings. The senior FTI Consulting personnel with carriage of the matter are Chartered Insolvency and Restructuring Professionals and Licensed Insolvency Trustees who have acted in restructuring and CCAA matters of this nature and scale and is in a position to immediately act as Monitor if appointed by this Court.

AMOUNT AND PRIORITY OF COURT-ORDERED CHARGES

20. The Initial Order provides for certain Court-ordered charges that rank in priority to all other charges and security interests against the Applicant. In the Initial Order, the proposed charges are:
- a. an administration charge (the “**Administration Charge**”); and
 - b. a director and officers’ charge (the “**D&O Charge**”),
- (together, the “**Charges**”).

Administration Charge

21. The proposed Initial Order provides for an Administration Charge to secure the fees and disbursements incurred by counsel to the Applicants, the Proposed Monitor, and the Proposed Monitor's counsel in connection with services rendered to the Applicants before and after the commencement of the CCAA Proceedings related to the Applicants restructuring. The initial Administration Charge will not exceed \$500,000 and is contemplated to cover the initial ten day stay period.
22. The Proposed Monitor believes it is appropriate for the beneficiaries to be afforded the Administration Charge as they will be undertaking a necessary and integral role in the CCAA Proceedings.
23. The Proposed Monitor has reviewed the underlying assumptions upon which the Applicants have based the quantum of the proposed initial Administration Charge, the anticipated complexity of the CCAA Proceedings and the services to be provided by the beneficiaries of the Administration Charge during the first ten days of the CCAA Proceedings, and is of the view that the proposed quantum of the initial Administration Charge is reasonable and appropriate in the circumstances.

Director's Charge

24. The Initial Order provides for the D&O Charge over the property of the Applicants in favour of the directors and officers as security for the indemnity contained in the Initial Order in respect of specified obligations and liabilities that the directors and officers may incur after the commencement of the CCAA Proceedings. The initial D&O Charge approximates the salary and wages earned during the initial ten day stay period and will not exceed \$2.75 million, and will rank subordinate to the Administration Charge.

25. As described in the Mierau Affidavit, the Applicants maintain certain insurance coverage for the directors and officers, but the deductibles and exclusions from the policies mean that the insurance may not fully cover the potential statutory or other liabilities of the beneficiaries of the D&O Charge. The Proposed Monitor notes that the directors and officers will only be entitled to the benefit of the D&O Charge to the extent that they do not have coverage under any existing insurance policy, or to the extent that such coverage is insufficient to pay amounts for which the directors and officers are entitled to be indemnified pursuant to the provisions of the proposed Initial Order.

26. It is the Proposed Monitor's view that the continued support and service of the directors and officers of the Applicants during the CCAA Proceedings will be beneficial to the Applicants' efforts to preserve value and maximize recoveries for stakeholders through completion of CCAA Proceedings. The Proposed Monitor has considered the existing insurance coverage and is of the view that the quantum and priority of the D&O Charge is reasonable and appropriate in the circumstances.

CASH FLOW STATEMENT

27. The Applicants have prepared the Cash Flow Statement to set out the liquidity requirements of the Applicants for the 10-week period ending July 10, 2026. A copy of the Cash Flow Statement is attached as Appendix "A".

28. The Cash Flow Statement is summarized in the following table:

Cash Flow Statement 10-Week Period Ending July 10, 2026 (S000s)	Initial Stay Period		
	Weeks 1-2 Forecast	Weeks 3-10 Forecast	Weeks 1-10 Total
Operating Receipts			
Diamond Sales	\$ -	\$ 29,601	\$ 29,601
GST Refunds	-	1,943	1,943
Total Operating Receipts	-	31,544	31,544
Operating Disbursements			
Payroll and Benefits	(2,732)	(9,769)	(12,501)
Procon (Labour & Equipment)	(1,197)	(4,787)	(5,984)
Flights	(140)	(560)	(700)
Freight and Transportation	(190)	(760)	(950)
Site Services and Consumables	(240)	(960)	(1,200)
Repair and Maintenance - Equipment	(1,400)	(5,600)	(7,000)
Labour (other than Procon)	(60)	(240)	(300)
Explosives	(114)	(456)	(570)
Fire Suppression	(70)	(70)	(140)
Repair and Maintenance - Vehicles	(85)	(170)	(255)
Insurance and Banking	(424)	(6)	(430)
Utilities	(100)	(400)	(500)
Software	(100)	(400)	(500)
Health & Safety	(100)	(400)	(500)
GNWT Mineral Leases	-	(903)	(903)
Selling and Distribution	-	(423)	(423)
Other Professional Fees	-	(100)	(100)
Other Operating Expenses	(600)	(2,525)	(3,125)
Contingency	(500)	(2,000)	(2,500)
Total Operating Disbursements	(8,052)	(30,529)	(38,581)
Net Change in Cash from Operations	(8,052)	1,015	(7,037)
Non-Operating Receipts and Disbursements			
Capex	(1,287)	(2,760)	(4,047)
Capex - Fox Underground	(155)	(180)	(335)
Restructuring Professional Fees	(500)	(500)	(1,000)
Others	(700)	(5,600)	(6,300)
Net Change in Cash from Non-Operating Activities	(2,642)	(9,040)	(11,682)
Financing			
DIP Facility	-	7,261	7,261
Net Change in Cash from Financing	-	7,261	7,261
Net Change in Cash	(10,694)	(763)	(11,457)
Opening Cash	14,457	3,763	14,457
Ending Cash	\$ 3,763	\$ 3,000	\$ 3,000

29. The Cash Flow Statement is based on the following key assumptions:

- a. operating receipts relate primarily to ongoing diamond sales resulting from production and are assumed to be collected under normal course trade settlement terms;

- b. operating disbursements are summarized as follows:
 - i. payroll and benefits for the Applicants relates primarily to corporate and mine site employees;
 - ii. payments to Procon Mining & Tunnelling Ltd. relate to contracted miners and supply of certain equipment for underground mining;
 - iii. flights relate to the transportation of staff to and from the mine site;
 - iv. freight and transportation relates primarily to the shipment of supplies to the mine site;
 - v. repair and maintenance costs relate to scheduled servicing of equipment and vehicles to keep the mining fleet operational along with a contingency for unforeseen urgent repairs; and
 - vi. the remaining operating costs generally relate to ordinary course payments for consumables, insurance, selling and distribution activities and general operating costs;
- c. capital expenditures relate primarily to the construction of a wash plant and the development costs associated with the underground mine. The majority of these planned expenditures have been deferred beyond the Forecast Period. Included in capital expenditures is repair costs associated with the commissioning of dual-powered road trains required to transport ore and waste rock;
- d. restructuring professional fees are forecast to be approximately \$1.0 million during the Forecast Period and include the fees and disbursements for the Applicants' legal counsel, the Monitor and the Monitor's legal counsel for the first two months of the CCAA Proceedings;

- e. other disbursements relate primarily to surety bond and Impact Benefit Agreement payments scheduled to occur during the Forecast Period; and
- f. the Applicants' are not forecasting to require interim financing during first 10 days of the CCAA Proceedings.

30. Pursuant to section 23(1)(b) of the CCAA and in accordance with the Canadian Association of Insolvency and Restructuring Professionals Standard of Practice 09-1, the Proposed Monitor hereby reports as follows:

- a. the Cash Flow Statement has been prepared by Management for the purpose described in the notes to the Cash Flow Statement, using the probable assumptions and the hypothetical assumptions set out in notes 1 to 11 thereof;
- b. the Proposed Monitor's review consisted of inquiries, analytical procedures and discussion related to information supplied by Management and employees of the Applicants. Since hypothetical assumptions need not be supported, the Proposed Monitor's procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Cash Flow Statement. The Proposed Monitor has also reviewed the support provided by Management for the probable assumptions, and the preparation and presentation of the Cash Flow Statement;
- c. based on its review, nothing has come to the attention of the Proposed Monitor that causes it to believe that, in all material respects:
 - i. the hypothetical assumptions are not consistent with the purpose of the Cash Flow Statement;
 - ii. as at the date of this report, the probable assumptions developed by Management are not suitably supported and consistent with the plans of the Applicants or do not provide a reasonable basis for the Cash Flow Statement, given the hypothetical assumptions; or

- iii. the Cash Flow Statement does not reflect the probable and hypothetical assumptions;
- d. since the Cash Flow Statement is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, the Proposed Monitor expresses no assurance as to whether the Cash Flow Statement will be achieved. The Proposed Monitor expresses no opinion or other form of assurance with respect to the accuracy of any financial information present in this Report, or relied upon by the Proposed Monitor in preparing this Report; and
- e. the Cash Flow Statement has been prepared solely for the purposed described in the notes to the Cash Flow Statement and readers are cautioned that it may not be appropriate for other purposes.

CONCLUSIONS

- 31. The Initial Order and Stay of Proceedings will provide the Applicants with stability while they preserve their assets and advance a restructuring strategy.
- 32. As described in the Mierau Affidavit, the Applicants plan to seek additional relief at a subsequent application, including:
 - a. an extension of the Stay of Proceedings;
 - b. an increase in the quantum of the Charges;
 - c. approval of an interim financing facility; and
 - d. the approval of a sale and investment solicitation process.

33. If appointed, the Proposed Monitor will provide its comments on this relief in a later report.

All of which is respectfully submitted this 1st day of May 2026.

FTI Consulting Canada Inc.

In its capacity as Proposed Monitor of the Applicants


For: Deryck Helkaa
Senior Managing Director


Tom Powell
Senior Managing Director

Appendix A

Cash Flow Statement

Arctic Canadian Diamond Company Ltd. and Burgundy Diamonds (Canada) Limited

Cash Flow Statement

For the 10-week period ending July 10, 2026

Week Ending (C\$000s)	Initial Stay Period >>										Weeks 1-10 10-Jul-26 Total
	Week 1 8-May-26 Forecast	Week 2 15-May-26 Forecast	Week 3 22-May-26 Forecast	Week 4 29-May-26 Forecast	Week 5 5-Jun-26 Forecast	Week 6 12-Jun-26 Forecast	Week 7 19-Jun-26 Forecast	Week 8 26-Jun-26 Forecast	Week 9 3-Jul-26 Forecast	Week 10 10-Jul-26 Forecast	
Operating Receipts											
Diamond Sales	[1] \$ -	\$ -	\$ -	7,696 \$	-	2,490 \$	5,386 \$	2,484 \$	-	-	29,601
GST Refunds	-	-	-	1,317	-	-	-	627	-	-	1,943
Total Operating Receipts				9,013		2,490	5,386	3,111			31,544
Operating Disbursements											
Payroll and Benefits	[2] (1,400)	(1,332)	(1,400)	(1,332)	(1,400)	(1,332)	(1,400)	(1,332)	-	(1,573)	(12,501)
Procon (Labour & Equipment)	[3] (598)	(598)	(598)	(598)	(598)	(598)	(598)	(598)	(598)	(598)	(5,984)
Flights	(70)	(70)	(70)	(70)	(70)	(70)	(70)	(70)	(70)	(70)	(700)
Freight and Transportation	[4] (95)	(95)	(95)	(95)	(95)	(95)	(95)	(95)	(95)	(95)	(950)
Site Services and Consumables	[5] (120)	(120)	(120)	(120)	(120)	(120)	(120)	(120)	(120)	(120)	(1,200)
Repair and Maintenance - Equipment	[6] (700)	(700)	(700)	(700)	(700)	(700)	(700)	(700)	(700)	(700)	(7,000)
Labour (other than Procon)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(300)
Explosives	(57)	(57)	(57)	(57)	(57)	(57)	(57)	(57)	(57)	(57)	(570)
Fire Suppression	-	-	-	-	-	-	-	(70)	-	-	(140)
Repair and Maintenance - Vehicles	(85)	-	-	-	(85)	-	-	-	-	(85)	(255)
Insurance and Banking	-	(424)	-	-	-	(6)	-	-	-	-	(430)
Utilities	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(500)
Software	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(500)
Health & Safety	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(500)
GNMT Mineral Leases	-	(903)	(903)	(903)	-	-	-	-	-	-	(903)
Selling and Distribution	-	-	(222)	-	-	-	-	(201)	-	-	(423)
Other Professional Fees	-	-	-	-	-	-	-	-	-	(100)	(100)
Other Operating Expenses	[7] (300)	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(425)	(3,125)
Contingency	[8] (250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(2,500)
Total Operating Disbursements	(3,855)	(4,196)	(4,895)	(3,702)	(3,855)	(3,708)	(3,770)	(3,974)	(2,370)	(4,253)	(38,581)
Net Change in Cash from Operations	(3,855)	(4,196)	6,650	5,311	(3,855)	(1,218)	1,616	(863)	(2,370)	(4,253)	(7,037)
Non-Operating Receipts and Disbursements											
Capex	[9] (670)	(617)	(2,213)	(41)	(300)	(181)	-	-	(26)	-	(4,047)
Capex - Fox Underground	[10] (125)	(30)	-	(25)	(30)	(100)	-	(25)	-	-	(335)
Restructuring Professional Fees	[11] -	(500)	-	-	-	-	(500)	-	-	-	(1,000)
Others	[12] (795)	(700)	(4,561)	(339)	-	-	(700)	-	-	-	(6,300)
Net Change in Cash from Non-Operating Activities	(795)	(1,847)	(6,774)	(405)	(330)	(281)	(1,200)	(25)	(26)	-	(11,682)
Financing											
DIP Facility	[13] -	-	-	-	-	139	-	473	2,396	4,253	7,261
Net Change in Cash from Financing	-	-	-	-	-	139	-	473	2,396	4,253	7,261
Net Change in Cash	(4,650)	(6,044)	(124)	4,906	(4,185)	(1,360)	416	(416)	-	-	(11,457)
Opening Cash	14,457	9,807	3,763	3,639	8,545	4,360	3,000	3,416	3,000	3,000	14,457
Ending Cash	\$ 9,807	\$ 3,763	\$ 3,639	\$ 8,545	\$ 4,360	\$ 3,000	\$ 3,416	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000

Management has prepared this Cash Flow Statement solely for the purposes of determining the liquidity requirements of Arctic Canadian Diamond Company Ltd. and Burgundy Diamonds (Canada) Limited during the CCAA Proceedings. The Cash Flow Statement is based on the probable and hypothetical assumptions detailed below. Actual results will likely vary from performance projected and such variations may be material.

Notes:

- [1] Diamond sales reflect the proceeds resulting from ongoing production.
- [2] Payroll includes payroll and source deductions for corporate employees and workers at the Ekati Mine.
- [3] Procon provides contracted miners and supplies certain equipment for underground mining.
- [4] Freight and Transportation primarily relates to the shipment of supplies to the mine site.
- [5] Site services and consumables include general operational service costs as well as materials used in mining and processing.
- [6] Repair and maintenance costs relate to scheduled servicing of equipment and vehicles to keep the mining fleet operational along with a contingency for unforeseen urgent repairs.
- [7] Other operating expenses capture the remaining site level costs necessary to support mining operations.
- [8] Contingency relates to unforeseen expenses and disbursements during the CCAA Proceedings.
- [9] Capex relates primarily to the construction of the wash plant, with the majority of costs deferred beyond the Forecast Period. Capex also includes repair costs associated with the dual powered road trains used to haul ore and waste rock.
- [10] Capex - Fox Underground relates to development costs of the underground mine.
- [11] Restructuring professional fees represents fees of Company counsel, the Monitor, and the Monitor's counsel during the CCAA Proceedings.
- [12] Others represents surety bond premium and IBA payments.
- [13] The Applicants' are forecasting to require interim financing of approximately \$7.3 million during the Forecast Period.

No. S-263255
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED**

AND

**IN THE MATTER OF A PLAN OF COMPROMISE AND ARRANGEMENT OF
ARTIC CANADIAN DIAMOND COMPANY LTD. AND
BURGUNDY DIAMONDS (CANADA) LIMITED**

PETITIONERS

FIRST REPORT OF THE MONITOR

May 8, 2026

FIRST REPORT OF THE MONITOR

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Appendix A – Sale and Investment Solicitation Process

Appendix B – Interim Financing Term Sheet

Appendix C – Second Cash Flow Statement

INTRODUCTION

1. On May 1, 2026, Arctic Canadian Diamond Company Ltd. (“**ACDC**”) and Burgundy Diamonds (Canada) Limited (“**BDC**”, and together with ACDC, the “**Applicants**”) were granted an initial order (the “**Initial Order**”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) in the Supreme Court of British Columbia Action No. S-263255, Vancouver Registry (the “**CCAA Proceedings**”).
2. The Initial Order provides for, among other things:
 - a. a stay of proceedings against the Applicants and their parent company, Burgundy Diamond Mines Ltd. (the “**Parent**”), as a non-applicant stay party, until May 11, 2026 (the “**Stay of Proceedings**”);
 - b. the appointment of FTI Consulting Canada Inc. as Monitor in the CCAA Proceedings (the “**Monitor**”); and
 - c. certain priority charges against the property of the Applicants (the “**Court-Ordered Charges**”).
3. On May 8, 2026, the Applicants delivered a notice of application returnable May 11, 2026, for the following:
 - a. an amended and restated initial order (the “**ARIO**”), among other things:
 - i. extending the Stay of Proceedings until July 26, 2026 (the “**Stay Extension**”);
 - ii. approving an interim financing facility (the “**Interim Financing**”) to be advanced by Canada Enterprise Emergency Funding Corporation (“**CEEFC**” or the “**Interim Lender**”) pursuant to a term sheet (the

“Interim Financing Term Sheet”) in an amount not to exceed \$60 million and granting the Interim Lender a priority charge securing the Interim Financing (the **“Interim Lender’s Charge”**);

- iii. revising the amounts and priorities of the Court-Ordered Charges; and
- b. an order (the **“SISP Order”**) approving a sale and investment solicitation process (the **“SISP”**), a copy of which is attached as Appendix **“A”**.

PURPOSE

- 4. The purpose of this report is to provide this Honourable Court and the Applicants’ stakeholders with information with respect to the following:
 - a. the activities of the Monitor since the granting of the Initial Order;
 - b. the terms of the Interim Financing;
 - c. the components and timelines of the proposed SISP;
 - d. the proposed amounts and relative priorities of the Court-Ordered Charges;
 - e. a cash flow statement (the **“Second Cash Flow Statement”**) for the 27-week period ending November 6, 2026 (the **“Forecast Period”**) as well as the key assumptions on which the Second Cash Flow Statement is based;
 - f. the Applicants’ application for the Stay Extension; and
 - g. the Monitor’s conclusions and recommendations.

TERMS OF REFERENCE

5. In preparing this report, the Monitor has relied upon certain information (the “**Information**”) including the Applicants’ unaudited financial information, books and records and discussions with senior management (“**Management**”).
6. Except as described in this report, the Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook.
7. The Monitor has not examined or reviewed financial forecasts and projections referred to in this report in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook.
8. Future oriented financial information reported to be relied on in preparing this report is based on Management’s assumptions regarding future events. Actual results may vary from forecast and such variations may be material.
9. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

ACTIVITIES OF THE MONITOR

10. Up to and including the date of this First Report, the Monitor’s activities have included, among other things, the following:
 - a. retaining Fasken Martineau DuMoulin LLP to act as legal counsel to the Monitor;
 - b. engaging in ongoing discussions with the Applicants and their legal counsel regarding the Applicants’ business and financial affairs;

- c. reviewing drafts of the SISP and the Interim Financing Term Sheet;
- d. reviewing various cash flow statements and financial projections prepared by Management;
- e. assisting Management with communications with vendors, suppliers and other stakeholders;
- f. preparing and issuing notices required under the CCAA and Initial Order, including the following:
 - i. mailing notices to creditors as referenced in paragraph 41 of the Initial Order;
 - ii. arranging for a notice to creditors to be published in the next available edition of the Northern Miner;
 - iii. issuing Form 1 and Form 2 notices to the Office of the Superintendent of Bankruptcy in the prescribed forms as required under section 23(1)(f) of the CCAA; and
- g. responding to creditor inquiries; and
- h. preparing this First Report.

INTERIM FINANCING

11. As reflected in the Second Cash Flow Statement, the Applicants are unable to pay current operating costs and ongoing restructuring expenses without a significant cash injection in the coming weeks. Accordingly, the Applicants have arranged the Interim Financing to preserve their assets and fund the operations through the duration of the SISP. The

Interim Financing Term Sheet (without schedules) is attached as Appendix “B” to this report.

12. While the Applicants have considered soliciting interim financing from alternative parties, CEEFC is the senior secured lender and is the most logical party to provide the required financing on the available timeline.

13. The key commercial terms of the proposed Interim Financing are as follows:

- a. ACDC, as Borrower, will borrow from the Interim Lender up to a maximum of \$60.0 million;
- b. BDC and the Parent are named guarantors of the proposed Interim Financing;
- c. unless accelerated by an Event of Default (as defined in the Interim Financing Term Sheet), the Interim Financing shall be paid in full in cash on the date which is the earliest of:
 - i. the closing of one or more sale transactions for all or substantially all of the assets of the Borrower approved by an order of the Court pursuant to the SISP; and
 - ii. November 6, 2026;
- d. the Interim Financing will be made available in the following tranches:
 - i. the first tranche in an aggregate amount of up to \$10,000,000 shall be available by way of bi-weekly advances commencing on the date of the issuance of the SISP Order; and
 - ii. the second tranche (“**Tranche 2**”) in an aggregate amount of up to \$50,000,000 shall be available by way of bi-weekly advances

commencing on the date of the commencement of Phase 2 of the SISP (as described in the SISP Order). Tranche 2 is subject to the Interim Lender being satisfied, in its sole and absolute discretion, with the bids received during Phase 1 of the SISP (as further set out in the SISP);

- e. interest shall accrue on the Interim Financing at a rate equal to 14.5% per annum and shall be added to the principal amount owing on the last business day of each month;
- f. all obligations in connection with the Interim Financing shall be secured by the Interim Lender's Charge against the property of the Applicants, subordinate only to the Administration Charge and a priority D&O Charge in the maximum amount of \$2.5 million;
- g. the Borrower shall pay an upfront fee of \$150,000 upon Court approval of the Interim Financing and an extension fee of \$750,000 concurrent with the initial advance under Tranche 2;
- h. the Borrower shall pay all out-of-pocket expenses, including all legal expenses and financial advisory and similar expenses, incurred by the Interim Lender in connection with these CCAA Proceedings;
- i. the Borrower shall keep the Interim Lender apprised of its cash flow requirements and provide, among other things, a comparison of the actual cash flow results from the immediately preceding one week period on a cumulative rolling basis as against the corresponding one week period in the DIP Agreement Cash Flow Projection (as defined in the Interim Financing Term Sheet). The Borrower must not exceed a negative variance:
 - i. equal to or in excess of 10% of total receipts;
 - ii. equal to or in excess of 10% of total disbursements; or

iii. of net cash flow from operations and non-operating activities before advances that exceeds \$3 million, in each case on a cumulative basis and tested weekly against cash flow projections approved by the Interim Lender; and

j. the Interim Financing is conditional upon, among other things, the granting of the ARIO and the Interim Lender's Charge.

14. The Monitor has considered the Applicants' application for approval of the Interim Financing and Interim Lender's Charge and has the following comments:

- a. the Applicants are in urgent need of funding to support their operations, preserve their assets, undertake the SISP and fund the restructuring costs associated with the CCAA Proceedings;
- b. absent interim financing, the Applicants will be unable to fund any of the above noted costs which would result in a deterioration of the value of their operations and business;
- c. the Interim Financing is structured in two tranches to permit ACDC and the Monitor to complete Phase 1 of the SISP and review any bids received following the LOI Deadline of July 10, 2026 prior to accessing Tranche 2;
- d. the Interim Financing is required to allow ACDC to maintain environmental and regulatory compliance for the Ekati Mine;
- e. the Interim Financing will provide sufficient liquidity for the Applicants to pursue their restructuring initiatives as set out in the First Affidavit of Brent Mierau made April 30, 2026 and the Second Affidavit of Brent Mierau made May 8, 2026; and
- f. the interest and fees payable to the Interim Lender under the Interim Financing are within the range of market comparable transactions for debtor-in-possession

interim financings in recent CCAA Proceedings. While the rates and fees are on the higher end of the range, they are reasonable in the circumstances, due to the nature of the assets, risk profile and status of operations.

15. Overall, it is the Monitor's view that the Interim Financing is necessary to fund the Applicants' operations and restructuring costs in the near term and will enhance the Applicants' prospects of achieving a successful restructuring, including by, as noted above, supporting operations over the forecast period and through the proposed SISP.

SALE AND INVESTMENT SOLICIATION PROCESS

16. One of the primary objectives of the CCAA Proceedings is to undertake the SISP in order to identify potential purchasers of, or investors in, ACDC's interest in the Ekati Mine. Accordingly, the Applicants are seeking the SISP Order to approve the SISP and carry out the SISP procedures described therein.

17. The key components of the SISP are as follows:

- a. the SISP is intended to solicit interest in all or substantially all the assets, undertakings and properties of ACDC (collectively, the "**Property**"), including without limitation the interests of ACDC in the Ekati Mine located in the Northwest Territories;
- b. the Monitor, with the assistance of ACDC and in consultation with CEEFC, will oversee the SISP;
- c. the Monitor, with the assistance of ACDC, will prepare a list of potential bidders (the "**Known Potential Bidders**") who may have an interest in a transaction involving the Property or ACDC;
- d. the Monitor, with the assistance of ACDC, will prepare a process summary (the "**Teaser Letter**") outlining the opportunity to potential bidders;

- e. ACDC will prepare a draft form of confidentiality agreement (the “**Confidentiality Agreement**”) in form and substance satisfactory to the Monitor;
- f. any Known Potential Bidder or other person wishing to submit a bid who:
 - i. executes a Confidentiality Agreement in form and substance satisfactory to the Monitor;
 - ii. in the judgment of the Monitor, in consultation with ACDC and CEEFC, appears to have a bona fide interest in submitting a bid; and
 - iii. in the judgment of the Monitor, in consultation with ACDC and CEEFC, appears to have the financial capabilities and the technical, managerial, and operational expertise and capabilities to make a viable bid, shall be deemed to be a potential bidder (each such person so deemed, a “**Potential Bidder**”);
- g. the Monitor, in consultation with and with the assistance of ACDC, shall provide Potential Bidders with access to an electronic data room that will contain information that, in the Monitor’s reasonable business judgment, will allow Potential Bidders to evaluate their interest in submitting a bid;
- h. Phase 1 of the SISP requires the Potential Bidder to submit a bid by delivering a non-binding letter of intent (“**LOI**”) to the Monitor by no later than 5:00 p.m. PT on July 10, 2026 (the “**LOI Deadline**”);
- i. following the LOI Deadline, the Monitor, in consultation with ACDC and CEEFC, shall determine which LOIs satisfy the SISP criteria (a “**Qualified LOI**”) and the applicable Potential Bidders shall be deemed a “**Qualified Bidder**” and invited to participate in Phase 2 of the SISP;

- j. Qualified Bidders will be permitted to perform additional due diligence including meetings with Management and on-site inspections;
- k. Qualified Bidders may submit a bid (a “**Final Bid**”) to the Monitor on or before 5:00 p.m. PT on September 25, 2026 (the “**Final Bid Deadline**”);
- l. the Monitor, in consultation with ACDC and CEEFC, will review all Final Bids to determine the highest and best Final Bid (the “**Winning Bid**”), considering, among other things, the purchase price and net value, levels of conditionality and timeline to closing of any bid;
- m. Following the Final Bid Deadline, the Monitor, in consultation with ACDC and CEEFC, will have the option to:
 - i. continue negotiations with the Qualified Bidders to improve their bid terms;
 - ii. declare a bid as the Winning Bid, subject to the consent of CEEFC; or
 - iii. undertake a further process (such as a sealed bid, auction or other process) to assess any Final Bids;
- n. the target transaction closing is to occur no later than November 6, 2026.

18. For ease of reference, the key dates under the SISP are summarized as follows:

Event	Date
SISP Order	May 11, 2026
Distribute Teaser Letter	Within 5 days of the issuance of the SISP Order
Access to Electronic Data Room	Commencing May 15, 2026
LOI Deadline	July 10, 2026

Final Bid Deadline	September 25, 2026
Final Agreement Deadline	October 9, 2026
Court Approval	October 23, 2026
Outside Closing Date	November 6, 2026

19. The Monitor's comments on the SISP are as follows:

- a. the SISP procedures were developed with input from the Monitor, which has experience in marketing assets of similar size and nature;
- b. the timeframes to solicit purchasers or investors in the business are reasonable and appropriate in the circumstances including the funding requirements of the operations of the mine. It is the view of the Monitor that the SISP provides adequate time for any party that may wish to submit a bid to perform appropriate due diligence; and
- c. the SISP is a fair and transparent marketing process designed to identify the highest and best offers for ACDC's assets and to maximize recoveries for the stakeholders of ACDC.

20. Overall, it is the Monitor's view that the SISP terms and timelines are reasonable in the circumstances and afford the Applicants with an opportunity to achieve a successful restructuring transaction with respect to the Ekati Mine.

COURT-ORDERED CHARGES

21. The Initial Order provides for certain Court-ordered charges that rank in priority to all other charges and security interests against the Applicants. The Court-Ordered Charges provided for in the Initial Order are summarized as follows:

First – the Administration Charge (to the maximum amount of \$500,000); and

Second – the D&O Charge (to the maximum amount of \$2.75 million).

22. The Applicants are seeking to add the Interim Lender’s Charge and increase the amounts of the other Court-Ordered Charges, as summarized below.

Administration Charge

23. The Initial Order provided for an Administration Charge to secure the fees and disbursements incurred by counsel to the Applicants, the Monitor, and the Monitor's counsel in connection with services rendered to the Applicants before and after the commencement of the CCAA Proceedings related to the Applicants’ restructuring. The proposed ARIO provides for an increase in the Administration Charge from \$500,000 to \$1.0 million.
24. The Monitor has reviewed the assumptions used by Management in determining the proposed increase to the Administration Charge and notes that the quantum is approximately consistent with an anticipated two months of professional fees for the applicable professional firms.
25. The Monitor is of the view that the proposed quantum of the Administration Charge is reasonable and appropriate in the circumstances. As described in the Pre-filing Report of the Proposed Monitor dated May 1, 2026 (the “**Pre-filing Report**”), the Monitor remains of the view that it is appropriate for the beneficiaries to be afforded the Administration Charge to ensure the Applicants have access to necessary and integral services to conduct these CCAA Proceedings.

D&O Charge

26. The Initial Order provides for the D&O Charge over the property of the Applicants in the maximum amount of \$2.75 million in favour of the directors and officers as security for the indemnity contained in the Initial Order in respect of specified obligations and liabilities that the directors and officers may incur after the commencement of the CCAA Proceedings. The proposed ARIO provides for the existing D&O charge to be replaced by:

- a. a charge in the maximum amount of \$2.5 million, which ranks subordinate to the Administration Charge and in priority to the Interim Lender's Charge (the **"Priority D&O Charge"**); and
- b. a charge in the maximum amount of \$2.5 million, which ranks subordinate to the Interim Lender's Charge (the **"Subordinate D&O Charge"**).

27. The proposed total revised charge amount was determined by the Applicants, in consultation with the Monitor, based on the approximate monthly payroll and benefits costs of the Applicants.

28. The Monitor is advised by the Applicants that the Director and Officer beneficiaries have consented to the revised amounts and priorities of the charge.

29. The Monitor has considered the existing insurance coverage and risk profile of the Applicants and is of the view that the amended quantum of the D&O Charge is reasonable and appropriate in the circumstances. As described in the Pre-filing Report, the Monitor continues to believe that the support of the Applicants' directors and officers will be beneficial to the Applicants' efforts to preserve value and maximize recoveries to stakeholders in the CCAA Proceedings.

Interim Lender's Charge

30. The ARIO provides for the Interim Lender's Charge in favour of the Interim Lender in an amount not to exceed \$60 million plus applicable fee and interest and to rank subordinate

only to the Administration Charge and the Priority D&O Charge in the maximum amount of \$2.5 million.

31. The Monitor has considered the terms and the need for the proposed Interim Financing and understands that the Interim Lender is not prepared to advance funds without the benefit of the Interim Lender's Charge. Without the funds from the Interim Financing, the Applicants would be unable to undertake an organized restructuring in these CCAA Proceedings, which would be to the detriment of all stakeholders. Accordingly, the Monitor is of the view that the Applicants' request for the Interim Lender's Charge is reasonable and appropriate in the circumstances.

Summary of Charges

32. For ease of reference, the proposed Court-ordered charges and relative priorities as provided for in the ARIO are summarized as follows:

First – the Administration Charge (to the maximum amount of \$1.0 million);

Second – the Priority D&O Charge (to the maximum amount of \$2.5 million);

Third – the Interim Lender's Charge (to a maximum amount of \$60.0 million;
and

Fourth – the Subordinate D&O Charge (to a maximum amount of \$2.5 million).

SECOND CASH FLOW STATEMENT

33. The Applicants have prepared the Second Cash Flow Statement to set out the liquidity requirements of the Applicants for the 27-week period ending November 6, 2026. A copy of the Second Cash Flow Statement is attached as Appendix "C".
34. The Second Cash Flow Statement is summarized in the following table:

Second Cash Flow Statement	
27-Week Period Ending November 6, 2026	Week 1-27
(\$000s)	Total
Operating Receipts	
Diamond Sales	\$ 77,054
GST Refunds	2,259
Total Operating Receipts	79,313
Operating Disbursements	
Payroll and Benefits	(39,317)
Procon (Labour & Equipment)	(16,157)
Flights	(2,300)
Freight and Transportation	(2,565)
Site Services and Consumables	(3,240)
Repair and Maintenance - Equipment	(18,900)
Labour (other than Procon)	(810)
Explosives	(1,539)
Fire Suppression	(420)
Repair and Maintenance - Vehicles	(595)
Insurance and Banking	(2,472)
Utilities	(1,350)
Software	(1,350)
Health & Safety	(1,350)
GNWT Mineral Leases	(903)
Selling and Distribution	(762)
Other Professional Fees	(245)
Other Operating Expenses	(8,950)
Contingency	(6,950)
Total Operating Disbursements	(110,175)
Net Change in Cash from Operations	(30,861)
Non-Operating Receipts and Disbursements	
Capex	(19,443)
Capex - Fox Underground	(7,666)
Restructuring Professional Fees	(3,805)
Private Royalties	(47)
Others	(9,100)
Net Change in Cash from Non-Operating Activities	(40,060)
Financing	
Interim Financing	57,000
Net Change in Cash from Financing	57,000
Net Change in Cash	(13,922)
Opening Cash	14,997
Ending Cash	\$ 1,075

35. The Second Cash Flow Statement is based on the following key assumptions:

- a. operating receipts relate primarily to ongoing diamond sales resulting from production and are assumed to be collected under normal course trade settlement terms;
- b. operating disbursements are summarized as follows:
 - i. payroll and benefits for the Applicants relates primarily to corporate and mine site employees;
 - ii. payments to Procon Mining & Tunnelling Ltd. relate to contracted miners and supply of certain equipment for underground mining;
 - iii. flights relate to the transportation of staff to and from the mine site;
 - iv. freight and transportation relates primarily to the shipment of supplies to the mine site;
 - v. repair and maintenance costs relate to scheduled servicing of equipment and vehicles to keep the mining fleet operational along with a contingency for unforeseen urgent repairs; and
 - vi. the remaining operating costs generally relate to ordinary course payments for consumables, insurance, selling and distribution activities and general operating costs;
- c. capital expenditures relate primarily to the construction of a wash plant and the development costs associated with the underground mine. The majority of these planned expenditures have been deferred beyond the Forecast Period. Included in capital expenditures is repair costs associated with the commissioning of dual-powered road trains required to transport ore and waste rock;
- d. restructuring professional fees are forecast to be approximately \$3.8 million during the Forecast Period and include the fees and disbursements for the

Applicants' legal counsel, the Monitor, the Monitor's legal counsel, the Interim Lender's counsel and the Interim Lender's financial advisor for the first two months of the CCAA Proceedings;

- e. other disbursements relate primarily to surety bond and Impact Benefit Agreement payments scheduled to occur during the Forecast Period; and
- f. the Applicants' are forecasting to require interim financing of approximately \$27.7 million during the period of the Stay Extension and approximately \$57.0 million during the Forecast Period before applicable fees and interest.

STAY EXTENSION

36. The length of the proposed Stay Extension is intended to permit ACDC and the Monitor to complete Phase 1 of the SISP and review any bids received following the LOI Deadline of July 10, 2026.

37. The Monitor's comments with respect to the Applicants' application for the Stay Extension are as follows:

- a. the Second Cash Flow Statement forecasts that the Interim Financing will allow the Applicants to meet their liquidity requirements during the term of the proposed Stay Extension;
- b. the Applicants require the Stay Extension in order to continue operations, preserve their assets and conduct the SISP;
- c. certain key stakeholders including CEEFC are supportive of the Stay Extension;
- d. there will be no material prejudice to the Applicants' creditors and other stakeholders as a result of the Stay Extension;

- e. the Applicants are acting in good faith and with due diligence; and
- f. the Applicants' overall prospects of effecting a viable restructuring will be enhanced by the Stay Extension.

CONCLUSIONS AND RECOMMENDATIONS

38. Based on the forgoing, the Monitor respectfully recommends that this Honourable Court grant the following orders:

- a. the ARIO; and
- b. the SISP Order.

All of which is respectfully submitted this 8th day of May 2026.

FTI Consulting Canada Inc.
In its capacity as Monitor of the Applicants



Deryck Helkaa
Senior Managing Director



Tom Powell
Senior Managing Director

Appendix A

Sale and Investment Solicitation Process

Schedule "B" to SISP Order

ARCTIC CANADIAN DIAMOND COMPANY LTD.

CCAA SALES AND INVESTMENT SOLICITATION PROCESS

INTRODUCTION

1. Arctic Canadian Diamond Company Ltd. ("**ACDC**" or the "**Company**") obtained protection under the Companies' Creditors Arrangement Act (the "**CCAA**") pursuant to an Order (the "**Initial Order**") issued by the Supreme Court of British Columbia (the "**Court**") on May 1, 2026. Pursuant to the Initial Order, FTI Consulting Canada Inc. was appointed as monitor of the Company (the "**Monitor**"). All capitalized terms used herein and not otherwise defined shall have the meaning ascribed to them in the Initial Order.
2. On May 11, 2026, the Court issued an Order (the "**SISP Order**") which, among other things, approved this Sales and Investment Solicitation Process (the "**SISP**") with respect to the Company and all the assets, undertakings and properties of the Company (collectively, the "**Property**"), including without limitation the interests of the Company in the Ekati Mine located in the Northwest Territories. The objective of the SISP is to maximize the recovery to the stakeholders of the Company.
3. This SISP describes the way the Monitor, with the assistance of the Company, and in consultation with Canada Enterprise Emergency Funding Corporation ("**CEEFC**") (as the senior secured lender and the interim lender to the Company), will advance this SISP and how interested parties may gain access to due diligence materials concerning the Company and the Property, how bids involving the Property or Company, or any part or parts thereof, will be submitted and dealt with, and how required Court approval will be sought in respect of any transaction or transactions involving the Property or Company.

SUPERVISION AND CONDUCT OF THE SISP

4. The Monitor, with the assistance of the Company and in consultation with CEEFC, will oversee the conduct of the SISP.
5. The Monitor may engage such other consultants, agents or experts and such other persons from time to time as may be reasonably necessary to assist the Monitor in carrying out this SISP.
6. This SISP does not, and will not be interpreted to, create any contractual or other legal relationship between the Monitor, the Company and any Potential Bidder, or Qualified Bidder (each as defined below) or any other party, other than as specifically set forth in a definitive agreement that may be signed with the Company. Further, the Company reserves the right not to enter into such definitive agreement.
7. Without limiting the preceding paragraph, the Monitor and the Company shall not have any liability whatsoever to any person or party, including without limitation any bidder, Potential Bidder, Qualified Bidder, the Successful Bidder (as defined below), or any other creditor or other stakeholder of the Company, for any act or omission related to the process contemplated by this SISP, except to the extent such act or omission is the result of such party's gross negligence or willful misconduct.

8. Participants in the SISP are responsible for all costs, expenses and liabilities incurred by them in connection with the submission of any bid, due diligence activities, and any further negotiations or other actions whether or not they lead to the consummation of a transaction involving the Property or the Company.
9. The Monitor and the Company and any of their agents, estates, advisors, and professionals are not responsible for, and will have no liability with respect to, any information provided to or obtained by any Potential Bidder in connection with the Company or its Property.
10. In consultation with the Company and CEEFC, and subject to the terms of the DIP Term Sheet dated May 8, 2026 as between ACDC, as borrower, CEEFC, as lender, and Burgundy Diamond Mines Limited, as guarantor (the "**DIP Term Sheet**"), and the consent and consultation rights of CEEFC set out herein, the Monitor shall have the right to modify the terms of this SISP, including the requirements, criteria and timelines set out herein if, in the Monitor's reasonable business judgment, such modification will enhance the process or better achieve the objectives of the SISP. Notwithstanding the foregoing, the Monitor shall not modify the LOI Deadline or the Outside Closing Date without the prior written consent of CEEFC.

CONFIDENTIALITY AND ACCESS TO INFORMATION

11. Subject to paragraph 12 herein, participants and prospective participants under this SISP process, and all other persons, shall not be entitled to receive any information that is not made generally available to all participants, including the details of any confidential discussions or correspondence between the Monitor, the Company, and such participants, except to the extent that the Monitor seeks to combine portion bids into a single bid. For greater certainty, the Monitor reserves the right to keep all information relating to this SISP process confidential from all persons if, in the view of the Monitor, such confidentiality is required to protect the integrity of this SISP process.
12. Notwithstanding the foregoing paragraph, the Monitor shall be entitled to share with—and where the Company is required pursuant to the DIP Term Sheet, shall share with—CEEFC all information received by the Monitor and the Company with respect to the SISP, which information shall be kept confidential by CEEFC. In addition, should the Monitor determine, in its reasonable business judgment, that to do so would advance the objectives of the SISP, the Monitor shall also be entitled to share all information received by the Monitor and the Company with respect to the SISP with the Government of the Northwest Territories (the "**GNWT**"), to the extent and on terms determined by the Monitor, which information shall be kept confidential by the GNWT.
13. All discussions regarding this SISP process shall be directed through the Monitor. Under no circumstances should any participants and prospective participants be in contact with one another in respect of this SISP process without the prior written consent of the Monitor.
14. The Monitor, the Company and CEEFC, and, to the extent applicable, GNWT shall keep confidential all information concerning Potential Bidders, LOIs, Qualified Bidders, Final Bids, Qualified Final Bids, Winning Bid, Successful Bidder, the Backup Bidder, and the Final Agreement (each as defined below), except for: (i) disclosure on a confidential

basis to their advisors; (ii) CEEFC's disclosure on a confidential basis to Canada Development Investment Corporation and to His Majesty in Right of Canada, any Crown corporation, and any department, Minister, office or agency of a provincial government or the Government of Canada, including the Auditor General, and as otherwise permitted by the DIP Term Sheet; and (iii) disclosure as the Monitor may deem appropriate and consent to in advance and in writing to further the SISP or in furtherance of a transaction.

15. To the extent that any Potential Bidders wish to engage, discuss, or communicate with any party with an existing contractual relationship with the Company in relation to this SISP or the business or assets of the Company, such Potential Bidders may only do so after advising the Monitor and the Company and obtaining the Monitor's prior written consent. In considering any specific request, the Monitor shall impose such restrictions, if any, or participation by the Monitor, as the Monitor deems appropriate.

TIMELINE

16. The following table sets out the target dates under the SISP:

PHASE	TARGET DATES
SISP Order	May 11, 2026
Distribute Teaser Letter	Within 5 days of the issuance of the SISP Order
Access to Electronic Data Room	Commencing May 15, 2026
LOI Deadline	July 10, 2026
Final Bid Deadline	September 25, 2026
Final Agreement Deadline	October 9, 2026
Court Approval	October 23, 2026
Outside Closing Date	November 6, 2026

PHASE 1 OF THE SISP PROCESS

A. Initial Solicitation of Interest

17. The Monitor, with the assistance of the Company, will prepare a list of potential bidders (the "**Known Potential Bidders**") who may have an interest in a transaction involving the Property or the Company. Such list will include parties who, in the Monitor's reasonable judgment, may be interested in acquiring all or substantially all of the Company's Property, pursuant to either: (a) an asset purchase transaction (an "**Asset Bid**"); or (b) some other investment, restructuring, recapitalization or other form of

reorganization of the business, property or affairs of the Company, including but not limited to the debt, share, or capital structure of the Company (a **"Restructuring Bid"**).

18. The Monitor, with the assistance of the Company, will prepare an initial marketing or offering summary (a **"Teaser Letter"**) within 5 days of the issuance of the SISP Order and distribute it to the Known Potential Bidders together with any additional marketing materials the Monitor considers appropriate, and the Company will prepare a draft form of confidentiality agreement, in a form satisfactory to the Monitor (the **"Confidentiality Agreement"**).
19. The Monitor, with the assistance of the Company, shall cause a notice regarding the SISP, the Teaser Letter, and any other relevant information regarding the SISP process that the Monitor, in consultation with the Company, considers appropriate, to be published on the Monitor's website and in publications as may be considered appropriate by the Monitor.
20. Any Known Potential Bidder or other person wishing to submit an Asset Bid and/or a Restructuring Bid who: (a) executes a Confidentiality Agreement in form and substance satisfactory to the Monitor; (b) in the judgment of the Monitor, in consultation with the Company and CEEFC, appears to have a bona fide interest in submitting an Asset Bid and/or Restructuring Bid; and (c) in the judgment of the Monitor, in consultation with the Company and CEEFC, appears to have the financial capabilities and the technical, managerial, and operational expertise and capabilities to make a viable Asset Bid or Restructuring Bid, shall be deemed to be a potential bidder (each such person so deemed, a **"Potential Bidder"**).

B. Initial Due Diligence

21. The Monitor, in consultation with and with the assistance of the Company, may prepare such marketing or other materials in addition to the Teaser Letter as they deem appropriate describing the opportunity to make an Asset Bid or a Restructuring Bid for distribution to Known Potential Bidders and/or Potential Bidders.
22. The Monitor, in consultation with and with the assistance of the Company, shall provide Potential Bidders with access to an electronic data room that will contain information in the possession or control of the Monitor and the Company that in the Monitor's reasonable business judgment will allow Potential Bidders to evaluate their interest in submitting an Asset Bid or a Restructuring Bid.
23. For greater certainty, Potential Bidders must rely solely on their own independent review, investigation and/or inspection of all information and of the Property and the Company in connection with their participation in the SISP and any transaction they may enter into with the Company.

C. Qualified LOI Process

24. Any Potential Bidder who wishes to submit an Asset Bid or a Restructuring Bid must deliver a written, non-binding letter of intent in respect of the Property or the Company (each, an **"LOI"**) to the Monitor in the manner and at the address specified in **Schedule "A"** hereto so as to be received by the Monitor not later than 5:00 p.m. (Pacific Time)

on **July 10, 2026** (the “**LOI Deadline**”). An LOI shall be a qualified LOI (each, a “**Qualified LOI**”), provided that it contains:

- (a) an acknowledgment of receipt of a copy of this SISP, the SISP Order, and agreement to accept and be bound by the provisions contained therein;
- (b) a letter setting forth the identity of the Potential Bidder, the contact information for such Potential Bidder, and full disclosure of the direct and indirect owners of the Potential Bidder and their principals;
- (c) an indication of whether the Potential Bidder wishes to tender: (i) an Asset Bid; (ii) a Restructuring Bid; or (iii) both;
- (d) a specific indication of the anticipated sources of capital for such Potential Bidder and information regarding the Potential Bidder’s financial, managerial, operational, technical, and other capabilities to consummate an Asset Bid or a Restructuring Bid, as applicable, and such additional information as may be requested by the Monitor;
- (e) in the case of an Asset Bid, it identifies:
 - (i) the indicative purchase price in Canadian dollars and anticipated cash proceeds at closing;
 - (ii) a description of any material obligations and liabilities to be assumed;
 - (iii) any of the Property expected to be excluded, and/or any additional assets desired to be included in the transaction;
 - (iv) the structure and financing of the transaction including, but not limited to, the sources of financing to fund the acquisition, preliminary evidence of the availability of such financing or such other form of financial disclosure and credit-quality support or enhancement that will allow the Monitor, in consultation with the Company and CEEFC, to make a reasonable business or professional judgment as to the Potential Bidder’s financial or other capabilities to consummate the transaction and to perform all obligations to be assumed in such transaction and the steps necessary and associated timing to obtain financing and any related contingencies, as applicable;
 - (v) any anticipated corporate, shareholder, internal or regulatory approvals required to close the transaction and the anticipated time frame and any anticipated impediments for obtaining such approvals;
 - (vi) any conditions to closing that the Potential Bidder may wish to impose; and
 - (vii) any other terms or conditions of the Asset Bid that the Potential Bidder believes are material to the transaction;

(f) in the case of a Restructuring Bid, it identifies:

- (i) an outline of the type of transaction or structure of the bid including with respect to any proposed restructuring, recapitalization, or other form of reorganization of the business, property, or affairs of the Company, including but not limited to the debt, share, or capital structure of the Company, as applicable;
- (ii) the aggregate amount of the equity and debt investment, including any material obligations and liabilities to be assumed by the Potential Bidder, to be made in the Company, if applicable;
- (iii) the underlying assumptions regarding the pro forma capital structure (including the form and amount of anticipated equity and/or debt levels, debt service fees, interest or dividend rates, amortization, voting rights, or other protective provisions (as applicable), redemption, prepayment or repayment attributes and any other material attributes of the investment);
- (iv) the consideration to be allocated to the stakeholders including claims of any secured or unsecured creditors of the Company;
- (v) the financing of the transaction including, but not limited to, the sources of financing to fund the acquisition, preliminary evidence of the availability of such financing or such other form of financial disclosure and credit-quality support or enhancement that will allow the Monitor, in consultation with the Company and CEEFC, to make a reasonable business or professional judgment as to the Potential Bidder's financial or other capabilities to consummate the transaction and to perform all obligations to be assumed in such transaction and the steps necessary and associated timing to obtain financing and any related contingencies, as applicable;
- (vi) any anticipated corporate, shareholder, internal or regulatory approvals required to close the transaction, the anticipated time frame and any anticipated impediments for obtaining such approvals;
- (vii) any conditions to closing that the Potential Bidder may wish to impose; and
- (viii) any other terms or conditions of the Restructuring Bid that the Potential Bidder believes are material to the transaction; and

(g) such other information reasonably requested by the Monitor, in consultation with the Company.

- 25. The Monitor and the Company shall retain full discretion and authority to discuss any LOIs received, and their terms, with the applicable Potential Bidders.
- 26. Following the LOI Deadline, the Monitor, in consultation with the Company and CEEFC, will assess the Qualified LOIs. If it is determined by the Monitor, in consultation with the

Company and CEEFC, that a Potential Bidder that has submitted a Qualified LOI: (a) has a bona fide interest in consummating an Asset Bid or a Restructuring Bid, as applicable; and (b) has the financial, managerial, operational, technical, and other capabilities to consummate an Asset Bid or a Restructuring Bid, as applicable, then such Potential Bidder will be deemed a **"Qualified Bidder"**, provided that the Monitor may, in its reasonable business judgment, following consultation with the Company and CEEFC, limit the number of Qualified Bidders (and thereby eliminate some or all Potential Bidders who have submitted Qualified LOIs from this SISP) taking into account the factors identified in paragraph 36 of this SISP.

27. The Monitor, in consultation with the Company and CEEFC, may waive compliance with any one or more of the requirements specified above (other than the consultation rights of CEEFC in paragraph 26) and deem non-compliant Potential Bidders to be Qualified Bidders.

PHASE 2 OF THE SISP PROCESS

A. Due Diligence

28. The Monitor, in consultation with and with the assistance of the Company, will, in the Monitor's reasonable business judgment and subject to competitive and other business considerations, afford each Qualified Bidder such access to additional due diligence materials and information relating to the Property and the Company as the Monitor deems appropriate. Due diligence access may include management presentations, on-site inspections, engagement with certain key stakeholders, and other matters which a Qualified Bidder may reasonably request and as to which the Monitor, in its reasonable business judgment and after consulting with the Company, may agree. For avoidance of doubt, and without limiting the terms of applicable Confidentiality Agreements, selected due diligence materials may be withheld from certain Qualified Bidders if the Monitor, in consultation with the Company, determines such information to represent proprietary or sensitive competitive information.
29. All Qualified Bidders will be provided with a form of draft asset purchase agreement (the **"Draft APA"**) that will serve as the basis for the submission of a Final Bid that is an Asset Bid.

B. Final Bid Process

30. Any Qualified Bidder may submit an Asset Bid or a Restructuring Bid (each, a **"Final Bid"**) to the Monitor at the address specified in **Schedule "A"** hereto on or before 5:00 p.m. (Pacific Time) on **September 25, 2026** (the **"Final Bid Deadline"**).
31. A Final Bid submitted as an Asset Bid shall be a **"Qualified Asset Bid"** if:
 - (a) it includes a duly authorized and executed purchase and sale agreement specifying all consideration payable, together with all exhibits and schedules thereto, and such ancillary agreements as may be required by the Qualified Bidder with all exhibits and schedules thereto, together with a blackline to the Draft APA provided to all Qualified Bidders;

- (b) it includes a letter stating that the Asset Bid is irrevocable until the earlier of: (i) the approval by the Court; and (ii) thirty-five (35) days following the Final Bid Deadline, provided, however, that if such Asset Bid is selected as a Winning Bid or a Backup Bid, it shall remain irrevocable until the closing of the Winning Bid or the Backup Bid, as the case may be;
- (c) it does not include any request or entitlement to any break fee, expense reimbursement or similar type of payment;
- (d) it includes written evidence of a firm, irrevocable commitment for all required funding and/or financing from a creditworthy bank or financial institution to consummate the proposed transaction, or other evidence of ability to consummate the proposed transaction that will allow the Monitor, in consultation with the Company and CEEFC, to make a determination as to the Qualified Bidder's (and its direct and indirect owners and their principals) financial and other capabilities to consummate the transaction contemplated by the Qualified Asset Bid;
- (e) it includes an acknowledgement and representation that the bidder: (i) has had an opportunity to conduct any and all required due diligence prior to making its Asset Bid; (ii) has relied solely on its own independent review, investigation and inspection of any documents, the assets to be acquired and the liabilities to be assumed; (iii) did not rely upon any written or oral statements, representations, promises, warranties or guarantees whatsoever, whether express or implied, except as expressly stated in the purchase and sale agreement; and (iv) unless prior written consent of the Monitor has been obtained, has not coordinated its Final Bid or any aspect of its participation in this SISP with any Potential Bidder, Qualified Bidder, or any party with an existing contractual relationship with the Company, has kept and will continue to keep its Final Bid confidential, and has not entered into any agreement or arrangement with any Potential Bidder, Qualified Bidder, or any party with an existing contractual relationship with the Company which has affected or may, directly or indirectly, affect the bidder's Final Bid or the Final Bid of any other bidder and/or the SISP process generally;
- (f) it fully discloses the identity of each person that is bidding or otherwise that will be sponsoring or participating in the Asset Bid, including the identification of the bidder's direct and indirect owners and their principals, and the complete terms of any such participation;
- (g) it provides for closing of the proposed transaction by no later than **November 6, 2026** (the "**Outside Closing Date**");
- (h) it is accompanied by a non-refundable deposit (the "**Deposit**") in the form of a wire transfer (to a trust account specified by the Monitor), in an amount equal to five percent (5%) of the total value of all cash and non-cash consideration to be paid in respect of the Asset Bid, to be held and dealt with in accordance with this SISP;
- (i) it contains other information reasonably requested by the Monitor; and
- (j) it is received by no later than the applicable Final Bid Deadline.

32. A Final Bid submitted as a Restructuring Bid shall be a “**Qualified Restructuring Bid**” if:

- (a) it includes definitive documentation, duly authorized, and executed by the Qualified Bidder, setting out the terms and conditions of the proposed transaction, including the aggregate amount of the proposed equity and debt investment, assumption of debt, if any, and details regarding the proposed equity and debt structure of the Company following completion of the proposed transaction;
- (b) it includes a letter stating that the Restructuring Bid is irrevocable until the earlier of: (i) the approval by the Court; and (ii) thirty-five (35) days following the applicable Final Bid Deadline, provided, however, that if such Restructuring Bid is selected as a Winning Bid or a Backup Bid, it shall remain irrevocable until the closing of the Winning Bid or the Backup Bid, as the case may be;
- (c) it does not include any request or entitlement to any break fee, expense reimbursement or similar type of payment;
- (d) it includes written evidence of a firm, irrevocable commitment for all required funding and/or financing from a creditworthy bank or financial institution to consummate the proposed transaction, or other evidence of ability to consummate the proposed transaction that will allow the Monitor, in consultation with the Company and CEEFC, to make a determination as to the Qualified Bidder's (and its direct and indirect owners and their principals) financial and other capabilities to consummate the transaction contemplated by the Restructuring Bid;
- (e) it includes an acknowledgement and representation that the bidder: (i) has had an opportunity to conduct any and all required due diligence prior to making its Restructuring Bid; (ii) has relied solely on its own independent review, investigation and inspection of any documents, the assets to be acquired and the liabilities to be assumed; (iii) did not rely upon any written or oral statements, representations, promises, warranties or guarantees whatsoever, whether express or implied, except as expressly stated in the definitive documentation; and (iv) unless prior written consent of the Monitor has been obtained, has not coordinated its Final Bid or any aspect of its participation in this SISP with any Potential Bidder, Qualified Bidder, or any party with an existing contractual relationship with the Company, has kept and will continue to keep its Final Bid confidential, and has not entered into any agreement or arrangement with any Potential Bidder, Qualified Bidder, or any party with an existing contractual relationship with the Company which has affected or may, directly or indirectly, affect the bidder's Final Bid or the Final Bid of any other bidder and/or the SISP process generally.
- (f) it fully discloses the identity of each entity that is bidding or otherwise that will be sponsoring or participating in the Restructuring Bid, including the identification of the Qualified Bidder's direct and indirect owners and their principals, and the complete terms of any such participation;
- (g) it provides for closing of the proposed transaction by no later than the Outside Closing Date (being **November 6, 2026**);

- (h) it is accompanied by a non-refundable Deposit in the form of a wire transfer (payable to a trust account specified by the Monitor) in an amount equal to five percent (5%) of the total value of all cash and non-cash consideration to be paid or provided pursuant to the Restructuring Bid, to be held and dealt with in accordance with this SISP;
 - (i) it contains other information reasonably requested by the Monitor; and
 - (j) it is received by no later than the applicable Final Bid Deadline.
- 33. All Qualified Asset Bids and Qualified Restructuring Bids shall constitute **"Qualified Final Bids"**.
 - 34. The Monitor, in consultation with the Company and CEEFC, may waive compliance with any one or more of the requirements specified above and deem non-compliant Final Bids to be Qualified Final Bids.

C. Selection of Winning Bid

- 35. In reviewing the Qualified Final Bids and before determining a Winning Bid or Backup Bid, the Monitor and the Company shall retain full discretion and authority to discuss the bids received, and their terms, with the applicable Qualified Bidders.
- 36. The Monitor shall review all Qualified Final Bids, in consultation with the Company and CEEFC, to determine the highest or otherwise best Asset Bid or Restructuring Bid. Evaluation criteria will include, but are not limited to, matters such as: (a) the purchase price or net value being provided by such bid; (b) the conditionality of any bid; (c) the firm, irrevocable commitment for any required financing; (d) the timeline to closing of any bid; (e) the identity, circumstances and ability of the proponents of the Qualified Final Bids to successfully complete the transaction; (f) the costs associated with the bid and its consummation; (g) the terms of the proposed transaction documents; and (h) the overall transaction certainty of any bid.
- 37. The Monitor shall, in consultation with the Company and subject to the consent of CEEFC, identify the highest or otherwise best Qualified Final Bid received for the Property, or part or parts thereof, as applicable (each, a **"Winning Bid"**) and the next highest or otherwise best Qualified Final Bid received for the Property, or part or parts thereof, as applicable (each, a **"Backup Bid"**). A person or persons who make a Winning Bid shall be a **"Successful Bidder"** and a person or persons who make a Backup Bid shall be a **"Backup Bidder"**.
- 38. As part of the assessment of Qualified Final Bids, the Monitor, in consultation with the Company and CEEFC, shall have the discretion to determine the process and timing to be followed in selecting the highest and best bid including, but not limited to, whether proceeding to negotiate with any Qualified Bidder to improve the terms of their Qualified Final Bid or to undertake a further process to assess any Qualified Final Bids (such as a sealed bid, auction, or other process, to be conducted in accordance with procedures determined by the Monitor).

39. The Monitor shall notify a Successful Bidder, if any, a Backup Bidder, if any, and any other bidders of their respective status as soon as reasonably practicable in the circumstances.
40. The Monitor will notify a Backup Bidder, if any, that their bid is a successful Backup Bid and the Backup Bid shall remain open and capable of acceptance by the Monitor until the earlier of: (a) the consummation of the transaction contemplated by a Winning Bid; and (b) the date that is 30 days after the applicable Final Agreement Deadline (as defined below) (the **"Backup Bid Release Date"**). For greater certainty, the Monitor shall be entitled to continue to hold the Deposit in respect of a Backup Bid until the Backup Bid Release Date.
41. Following selection of a Successful Bidder, if any, the Company may, but shall have no obligation to, enter into an agreement or agreements with a Successful Bidder (a **"Final Agreement"**). Any Final Agreement entered into with a Successful Bidder shall be executed on or before **October 9, 2026** (the **"Final Agreement Deadline"**).
42. The Company, in consultation with the Monitor and CEEFC, has the right not to accept any Qualified Final Bid. The Company, in consultation with the Monitor and CEEFC, further has the right to deal with one or more Qualified Bidders to the exclusion of other persons, to accept a Qualified Final Bid or Qualified Final Bids for some or all of the Property, to accept multiple Qualified Final Bids and enter into multiple Final Agreements.

"AS IS, WHERE IS" BASIS

43. Any transaction involving the Property or the Company will be subject only to such representations, warranties, covenants, or indemnities as are expressly included in a Final Agreement, but will otherwise be on an "as is, where is" basis and without surviving representations, warranties, covenants or indemnities of any kind, nature, or description by the Monitor or the Company, or any of their agents, estates, advisors, professionals or otherwise, and in the event of a sale, all of the right, title and interest of the Company in and to the Property to be acquired will be, subject to the Court granting approval and any other required orders in the form contemplated by the relevant transaction, sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options and interests therein and thereon, except those assumed pursuant to a Final Agreement.

COURT APPROVAL

44. If the Company enters into a Final Agreement in respect of a Winning Bid, a Backup Bid, or any other bid, the Company shall apply for an order from the Court approving the transaction contemplated by that bid and any necessary or appropriately related relief required to consummate the transaction contemplated by that bid. Court approval shall be a condition precedent to the consummation of any transaction or transactions contemplated by a Final Agreement. The Company may also: (a) concurrently obtain relief approving the transaction contemplated by a Backup Bid and any necessary related relief required to consummate the transaction contemplated by a Backup Bid; and (b) if deemed necessary or advisable, seek approval of or other relief in respect of the Winning Bid and/or Backup Bid from the courts or governmental bodies in other relevant jurisdictions.

DEPOSITS

45. All Deposits paid pursuant to this SISP shall be held in trust by the Monitor in a non-interest-bearing account. The Monitor shall hold Deposits paid by each Winning Bidder and Backup Bidder in accordance with the terms of the Final Agreement with the Successful Bidder and the Backup Bidder, or as may be ordered by the Court.
46. If a Deposit is paid pursuant to this SISP, and the Monitor elects not to proceed to negotiate and settle the terms and conditions of a definitive agreement with the person that paid such Deposit, the Monitor shall return the Deposit to that person.
47. If: (a) a Qualified Bidder breaches any of its obligations under its Qualified Final Bid, any Final Agreement or the terms of this SISP (including the Confidentiality Agreement); or (b) a Qualified Bidder breaches its obligations under the terms of this SISP (including the Confidentiality Agreement) or under the terms of its Qualified Final Bid if required by the Monitor to complete such transaction contemplated by its Qualified Final Bid, then, in each case, such Qualified Bidder's Deposit will be forfeited as liquidated damages and not as a penalty.

TERMINATION OF THE SISP

48. The Monitor, in consultation with the Company and CEEFC, may terminate the SISP if the Monitor determines that it is not in the best interest of the Company and its stakeholders to continue with this SISP process, including based on the nature or value of one or more bids received from Potential Bidders or Qualified Bidders on or before the LOI Deadline or the Final Bid Deadline, as applicable.

MISCELLANEOUS

49. Unless otherwise indicated herein, any event that occurs on a day that is not a business day shall be deemed to occur on the next business day.
50. Each Qualified Bidder, upon being declared as such under the SISP, shall be deemed to have irrevocably and unconditionally attorned and submitted to the jurisdiction of the Court in respect of any action, proceeding or dispute in relation to the conduct or any aspect of the SISP.
51. At any time during the SISP process, the Monitor or the Company may apply to the Court for advice and directions with respect to the discharge of its obligations and duties herein.

SCHEDULE "A" TO SISP

Address for Deliveries

Any delivery made to the Monitor pursuant to this SISP shall be made to:

FTI Consulting Canada Inc.
701 W Georgia St #1450,
Vancouver, British Columbia V7Y 1B6

Attention: Tom Powell / Longmai Yan

Email: tom.powell@fticonsulting.com / longmai.yan@fticonsulting.com

Deliveries pursuant to this SISP by email shall be deemed to be received when sent. In all other instances, deliveries made pursuant to this SISP shall be deemed to be received when delivered to the address as identified above.

Appendix B

Interim Financing Term Sheet

DIP TERM SHEET

Dated as of May 11, 2026

WHEREAS the Borrower (as defined below) has requested, and the DIP Lender (as defined below) has agreed to provide, funding in order to fund certain obligations of the Borrower in the context of a proceeding in respect of the Borrower and the Guarantors under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**", and such proceeding, the "**Proceeding**") before the Supreme Court of British Columbia (the "**Court**") in accordance with the terms set out herein;

NOW THEREFORE the parties, in consideration of the foregoing and the mutual agreements contained herein (the receipt and sufficiency of which are hereby acknowledged), agree as follows:

- 1. BORROWER:** Arctic Canadian Diamond Company Ltd. (the "**Borrower**").

The Borrower owns and operates the diamond mine located approximately 310 kilometers from Yellowknife in the Northwest Territories, Canada (the "**Ekati Diamond Mine**")
- 2. GUARANTORS:** Burgundy Diamond Mines Limited (the "**Parent**") and Burgundy Diamonds (Canada) Limited ("**Burgundy Canada**" and together with the Parent, the "**Guarantors**")
- 3. DIP LENDER:** Canada Enterprise Emergency Funding Corporation (the "**DIP Lender**").
- 4. PURPOSE:** As set out in Section 16(c) below.
- 5. DIP FACILITY AND MAXIMUM AMOUNT**

A non-revolving, multi-draw secured credit facility (the "**DIP Facility**") in the aggregate principal amount of \$60,000,000 Canadian Dollars (the "**Maximum Amount**") in various Tranches (as defined below). For certainty, any interest or fees that are capitalized and added to the principal amount owing hereunder as may be contemplated by the terms hereof shall not constitute part of the Maximum Amount, and the Borrower is and shall be permitted to borrow up to the Maximum Amount without taking into account any such capitalized amounts, subject to the terms and conditions hereof.

Each advance under the DIP Facility (each a "**DIP Advance**") made in accordance with the terms hereof shall be deposited in the Borrower's bank account with Canadian Imperial Bank of Commerce (the particulars of which are set out below) or such other bank account(s) with a financial institution approved in advance by the DIP Lender (the "**Borrower's Account**") and withdrawn by the Borrower in accordance with the terms hereof. If requested by the DIP Lender at any time, the Borrower shall obtain a deposit account control agreement in favour of the DIP Lender in respect of the Borrower's Account in form and substance satisfactory to the DIP Lender in its sole discretion.

Borrower's Account

Account No. 9519815 with Canadian Imperial Bank of Commerce.
- 6. REPAYMENT:** The aggregate principal amount owing under the DIP Facility, all accrued and unpaid interest, and all unpaid fees and expenses incurred by the DIP Lender as provided herein in connection with the DIP Facility and the Proceeding, including for certainty all professional fees incurred by the DIP Lender in

connection therewith (collectively, the "**DIP Obligations**") shall be repaid in full on the earliest to occur of: (i) the occurrence of any Event of Default hereunder; (ii) the closing of one or more sale transactions for all or substantially all of the assets of the Borrower approved by an order of the Court pursuant to the SISP (as defined below); and (iii) November 20, 2026 (the "**Maturity Date**"). The Maturity Date may be extended at the request of the Borrower, following consultation with FTI Consulting Canada Inc., in its capacity as court-appointed monitor (the "**Monitor**") in the Proceeding, and with the prior written consent of the DIP Lender, in its sole and absolute discretion, for such period and on such terms and conditions as the Borrower and the DIP Lender may agree.

The commitment in respect of the DIP Facility shall expire on the Maturity Date and all DIP Obligations shall be repaid in full on the Maturity Date, without the DIP Lender being required to make demand upon the Borrower or to give notice that the DIP Facility has expired and/or that the DIP Obligations are due and payable.

All payments received by the DIP Lender shall be applied first to any fees and expenses due hereunder, then to accrued and unpaid interest and then, after all such fees, expenses and interest are brought current, to the principal amount outstanding hereunder.

7. CASH FLOW PROJECTIONS:

The Borrower has provided to the DIP Lender the cash flow projections attached as Schedule "A" hereto, which are in form and substance satisfactory to the DIP Lender and which will be filed by the Borrower with the Court, reflecting the projected cash requirements of the Borrower for the period from May 8, 2026 to November 6, 2026 (the "**Cash Flow Projection**").

The Borrower shall keep the DIP Lender apprised of its cash flow requirements by providing by no later than 5:00pm (Toronto time) on the Monday of each week: (i) to the extent applicable, an updated cash flow projection for the same period as the Cash Flow Projection, such updated cash flow projection to be in a form consistent with the Cash Flow Projection (a "**Proposed Amended Cash Flow Projection**"); and (ii) on a weekly basis, (x) actual cash flow results from the immediately preceding one week period, and (y) a comparison of the actual cash flow results from the immediately preceding one week period on a cumulative rolling basis as against the corresponding one week period in the DIP Agreement Cash Flow Projection (as defined below) (collectively, the "**Weekly Cash Flow Reports**"). For greater certainty, the variance testing contemplated by clause (ii)(y) above shall be calculated on a cumulative basis, such that no Event of Default shall arise solely as a result of any variance in any individual week, provided that the cumulative actual cash flow results over the applicable cumulative period do not deviate from the DIP Agreement Cash Flow Projection for such period by more than the permitted variance threshold set out herein.

Any Proposed Amended Cash Flow Projection shall require the approval of the DIP Lender, which approval may be withheld in the DIP Lender's sole and absolute discretion. At any given time, the cash flow projection in force and effect (whether the Cash Flow Projection or any subsequent Proposed Amended Cash Flow Projection approved by the DIP Lender) shall be the "DIP Agreement Cash Flow Projection".

For greater certainty: (a) the DIP Lender shall not be required to initiate any DIP Advances pursuant to a Proposed Amended Cash Flow Projection, nor is

the Borrower entitled to utilize any DIP Advance to make payments set out in a Proposed Amended Cash Flow Projection, unless and until it has been approved by the DIP Lender and become effective in accordance with this Section 7; and (b) the Borrower shall under no circumstance be entitled at any time to exceed the Maximum Amount or the amount of any of the Tranches (as defined below).

**8. AVAILABILITY
UNDER DIP FACILITY:**

The DIP Facility is made available in the following tranches (collectively, the “**Tranches**” and each a “**Tranche**”) and on the following dates, in each case, subject to satisfaction of the applicable conditions precedent in Sections 9 and 10, as applicable:

1. the first tranche (“**Tranche 1**”) in an aggregate amount of up to \$10,000,000 shall be available by way of bi-weekly advances commencing on the date of the issuance of the SISP Order; and
2. the second tranche (“**Tranche 2**”) in an aggregate amount of up to \$50,000,000 shall be available by way of bi-weekly advances commencing on the date commencement of Phase 2 of the SISP (as described in the SISP Order);

provided that, (i) each advance under each Tranche shall be in an amount not greater than the amount required for the two week period following the date of such advance as demonstrated in the DIP Agreement Cash Flow Projection applicable to such two week period (the “**Bi-Weekly Cash Requirement**”) (for certainty, taking into account any cumulative variances in the Weekly Cash Flow Reports) and (ii) the DIP Lender, in its sole and absolute discretion, may modify the date of availability of any advance under the Tranches in order to align with the cash requirements of the Borrower as set out in the DIP Agreement Cash Flow Projection.

For greater certainty, the availability under Tranche 2 shall be subject to the DIP Lender being satisfied, in its sole and absolute discretion, with the bids received during Phase 1 of the SISP (as further set out in the SISP).

DIP Advances shall be in the minimum principal amount of \$500,000 and in increments of \$100,000 thereafter and are to be funded within three (3) Business Days (as hereinafter defined) following delivery of the Drawdown Certificate (as hereinafter defined) for the related DIP Advance in accordance with paragraph 9(c) below, unless within two (2) Business Days of delivery of such Drawdown Certificate the DIP Lender delivers to the Borrower and the Monitor, a notice of non-consent to such DIP Advance as a result of (i) one or more of the conditions precedent not being met, (ii) the amount of the requested DIP Advance being in excess of the applicable Bi-Weekly Cash Requirement, or (iii) the occurrence of an Event of Default that is continuing and such notice shall include reasonable details outlining any such unsatisfied condition precedent or Event of Default. The DIP Lender may also consent to the making of a DIP Advance prior to the second (2nd) Business Day following delivery of the Drawdown Certificate by providing its written consent to same to the Borrower and the Monitor.

For the purposes of this DIP Term Sheet, “**Business Day**” means a day on which banks are generally open for business in Toronto, Ontario, Yellowknife, Northwest Territories and Calgary, Alberta.

The proceeds of each DIP Advance shall be applied by the Borrower solely in accordance with the DIP Agreement Cash Flow Projection or as may otherwise be agreed to in writing by the DIP Lender, in its sole and absolute discretion, from time to time.

Notwithstanding anything to the contrary herein, the Borrower shall be prohibited from using the proceeds of any DIP Advance to pay: (i) any expenses that are not of a type of expense that is contained in the DIP Agreement Cash Flow Projection (and for certainty including the exceptions contained therein), and (ii) professional fees of the Borrower or any other person to contest, challenge or in any way oppose (or support any other person in contesting, challenging or opposing) the DIP Lender with respect to the terms of or any matter contemplated herein.

9. CONDITIONS PRECEDENT TO THE INITIAL DIP ADVANCE

The following conditions precedent shall be satisfied, or waived in writing by the DIP Lender, in its sole and absolute discretion, prior to the initial DIP Advance hereunder:

- (a) the court shall have issued an initial order in the Proceeding in the form set out in Schedule "B" attached hereto, (the "IO") on or before May 1, 2026;
- (b) the Court shall have issued an amended and restated IO in form and content satisfactory to the DIP Lender, in its sole and absolute discretion, (the "ARIO") on or before May 11, 2026 that, among other things, authorizes and approves this DIP Term Sheet and the DIP Facility on the terms and conditions hereof and the DIP Charge securing the principal amount of \$60,000,000 and the other DIP Obligations not constituting the principal amount thereof with the priority contemplated herein; and such ARIO shall have been obtained pursuant to notices and otherwise in a manner satisfactory to the DIP Lender, in its sole and absolute discretion;
- (c) commensurate with the ARIO, the Court shall have issued an order (the "SISP Order") approving a sales and investment solicitation process (the "SISP") relating to the sale of all or substantially all of the assets of the Borrower and the Guarantors, which SISP Order shall be in form and substance satisfactory to the DIP Lender, in its sole and absolute discretion;
- (d) the Borrower and the Guarantors shall be in full compliance with all the terms of the IO, the ARIO, and the SISP Order;
- (e) the initial DIP Advance shall be in an amount not greater than the amount set out in the DIP Agreement Cash Flow Projection and the Bi-Weekly Cash Requirement for the two week period following the initial DIP Advance (which for certainty shall not be greater than the maximum amount of Tranche 1) and shall be subject to the terms and conditions hereof;
- (f) delivery to the DIP Lender of a drawdown certificate (a "**Drawdown Certificate**"), in substantially the form set out in Schedule "C" attached hereto, executed by an officer on behalf of the Borrower, certifying, *inter alia*, that the proceeds of the DIP Advance requested thereby will be applied solely in accordance with the DIP Agreement Cash Flow Projection and Section 4 of the DIP Term Sheet, and that no Default

or Event of Default (each as hereinafter defined) has occurred or is continuing, nor will any such event occur as a result of the initial DIP Advance;

- (g) there is no Default or Event of Default that has occurred and is continuing, nor will any such event occur as a result of the initial DIP Advance;
- (h) no Material Adverse Event shall have occurred after the issuance of the IO;
- (i) each of the representations and warranties made in this DIP Term Sheet shall be true and correct in all material respects as of the date made or deemed made (unless any representation and warranty is qualified by materiality, in which case it shall be true and correct in all respects as of the date made or deemed made);
- (j) there are no pending motions for leave to appeal, appeals, injunctions or other legal impediments relating to the IO, ARIO, or SISP Order, or the DIP Facility, or pending litigation seeking to restrain, vary or prohibit the operation of all or any part of this DIP Term Sheet;
- (k) the DIP Lender has received, as and when required hereunder, all information to which it is entitled hereunder (including, without limitation, the information and cash flow projections required pursuant to Section 7 herein);
- (l) there shall be no liens ranking in priority to the DIP Charge except as expressly permitted by this DIP Term Sheet;
- (m) no creditor of the Borrower or the Guarantors has taken any steps to seize, enforce or otherwise withdraw on any funds of the Borrower or the Guarantors held in their respective bank accounts;
- (n) the Borrower and the Guarantors shall have paid all statutory liens, trust and other government claims arising after the commencement of the Proceeding (but for greater certainty, not including any such claims in existence at the time of the commencement of the Proceeding) including, without limitation, source deductions, except, in each case, for any such amounts that are not yet due and payable or which are in dispute, in which case appropriate reserves have been made; and
- (o) such other guarantees and security documents from the Borrower and the Guarantors as may be reasonably requested by the DIP Lender from time to time.

10. CONDITIONS PRECEDENT TO SUBSEQUENT DIP ADVANCES

The following conditions precedent shall be satisfied, or waived in writing by the DIP Lender, in its sole and absolute discretion, prior to each subsequent DIP Advance hereunder, including, without limitation, all amounts pursuant to Tranche 2, unless otherwise stated below:

- (a) each DIP Advance together with all previous DIP Advances must be no greater in the aggregate than the Maximum Amount and shall be subject to the terms and conditions hereof;
- (b) delivery to the DIP Lender, with a copy to the Monitor, of a Drawdown Certificate, executed by an officer on behalf of the Borrower, certifying, *inter alia*, that the proceeds of the DIP Advance requested thereby will be applied solely in accordance with the DIP Agreement Cash Flow Projection and Section 4 of the DIP Term Sheet, that the amount of the requested DIP Advance is not greater than the applicable Bi-Weekly Cash Requirement and that the Borrower is in compliance with the Court Orders and that no Default or Event of Default has occurred or is continuing, nor will any such event occur as a result of such DIP Advance;
- (c) none of the IO, the ARIIO, the SISP Order or any other Court Order in the Proceeding shall have been vacated, stayed or otherwise caused to become ineffective or amended in a manner prejudicial to the DIP Lender, in its sole and absolute discretion;
- (d) there are no pending motions for leave to appeal, appeals, or injunctions relating to the IO, the ARIIO, the SISP Order, any other Court Order or the DIP Facility, or pending litigation seeking to restrain, vary or prohibit the operation of all or any part of this DIP Term Sheet;
- (e) the Borrower and the Guarantors shall be in full compliance with all of the terms of the ARIIO, the SISP Order, and all other orders of the Court in the Proceeding;
- (f) no order shall have been made in the Proceeding that may, in the sole and absolute discretion of the DIP Lender, be adverse to the interests of the DIP Lender or inconsistent with the terms of this DIP Term Sheet;
- (g) there is no Default or Event of Default that has occurred and is continuing, nor will any such event occur as a result of the DIP Advance;
- (h) no Material Adverse Event shall have occurred after the issuance of the IO;
- (i) each of the representations and warranties made in this DIP Term Sheet shall be true and correct in all material respects as of the date made or deemed made (unless any representation and warranty is qualified by materiality, in which case it shall be true and correct in all respects as of the date made or deemed made);
- (j) the DIP Lender has received, as and when required hereunder, all information to which it is entitled hereunder (including, without limitation, the information and cash flow projections required pursuant to Section 7 herein);

- (k) there shall be no liens ranking in priority to the DIP Charge except as expressly permitted in this DIP Term Sheet;
- (l) the Borrower shall have paid all statutory liens, trust and other government claims arising after the commencement of the Proceeding (but for greater certainty, not including any such claims in existence at the time of the commencement of the Proceeding) including, without limitation, source deductions, except, in each case, for any such amounts that are not yet due and payable or which are in dispute, in which case appropriate reserves have been made;
- (m) the Borrower shall at all times have diligently and in good faith implemented and conducted the SISP in accordance with the SISP Order and provided to the DIP Lender frequent, complete and accurate information regarding all activities, developments and other matters relating to the SISP; and
- (n) such other guarantees and security documents from the Borrower and the Guarantors as may be reasonably requested by the DIP Lender from time to time.

Notwithstanding the foregoing or any other provisions of this DIP Term Sheet, to the extent that an emergency cash need arises in the Borrower's business that is not contemplated in the DIP Agreement Cash Flow Projection, the Borrower may request a DIP Advance from the DIP Lender by providing written particulars relating to such emergency cash need to the DIP Lender and the Monitor, which DIP Advance shall only be permitted with the prior written consent of the DIP Lender delivered to the Borrower and the Monitor, in its sole and absolute discretion, and provided further that in no case shall the Maximum Amount be exceeded.

11. VOLUNTARY PREPAYMENTS:

The Borrower may prepay the DIP Obligations at any time prior to the Maturity Date without premium or penalty, and any amounts so prepaid may not be re-borrowed by the Borrower hereunder.

12. INTEREST RATE:

The outstanding principal amount of all DIP Advances shall bear interest at a rate per annum equal to 14.5% (the "**Interest Rate**"), and upon the occurrence and during the continuance of an Event of Default, the Interest Rate shall be increased by an additional 2% per annum, calculated and payable monthly in arrears on the last Business Day of each calendar month.

The Borrower shall pay interest on the DIP Advances by adding such accrued interest to the principal amount of the DIP Obligations on the last Business Day of each calendar month. Amounts representing the interest payable hereunder that are added to the principal amount of the DIP Obligations shall thereafter constitute principal and bear interest in accordance with this Section 12.

Interest on each DIP Advance shall accrue daily from and after the date of advance of such DIP Advance to the Borrower to, but excluding, the date of repayment, as well as before and after maturity, demand and default and before and after judgment, and shall be calculated and compounded on a daily basis on the principal amount of such DIP Advance and any overdue interest

remaining unpaid from time to time and on the basis of the actual number of days elapsed in a year of 365 days.

For the purposes of the *Interest Act* (Canada), the annual rates of interest referred to in this DIP Term Sheet calculated in accordance with the foregoing provisions of this DIP Term Sheet, are equivalent to the rates so calculated multiplied by the actual number of days in a calendar year and divided by 365.

If any provision of this DIP Term Sheet or any ancillary document in connection with this DIP Term Sheet would obligate the Borrower to make any payment of interest or other amount payable to the DIP Lender in an amount or calculated at a rate which would be prohibited by law or would result in receipt by the DIP Lender of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)) then, notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or so result in receipt by the DIP Lender of interest at a criminal rate and any such amounts actually paid by the Borrower in excess of the adjusted amount shall be forthwith refunded to the Borrower.

13. DIP SECURITY:

All obligations of the Borrower and the Guarantors under or in connection with the DIP Facility and this DIP Term Sheet shall be secured by a Court-ordered charge (the "**DIP Charge**") over all present and after-acquired property, assets and undertakings of the Borrower and the Guarantors (including for greater certainty and without limitation, insurance proceeds, those assets set forth on the financial statements of the Borrower and the Guarantors (if applicable)), including all proceeds therefrom and all causes of action of the Borrower (collectively, the "**Collateral**"). For certainty, the Borrower's Account shall be subject to the DIP Charge.

The DIP Charge shall be a priority charge which shall rank ahead of any and all liens, charges, security interests, claims and encumbrances of any kind whatsoever in and against the Collateral including, without limitation, the liens securing the Existing Secured Debt (as hereinafter defined) subject only to: (a) an administration charge (the "**Administration Charge**") in the maximum amount of (i) \$500,000 as of the date of the IO, and (ii) \$1,000,000 as of the date of the ARIO, to secure payment of the reasonable fees, expenses and disbursements of: (A) the Borrower's counsel; and (B) the Monitor and its counsel; and (b) a directors' and officers' charge in the maximum amount of (i) \$2,750,000 as of the date of the IO, and (ii) \$2,500,000 as of the date of the ARIO in favour of the directors and officers of the Borrower (the "**Priority D&O Charge**").

In addition to the Priority D&O Charge, a further directors' and officers' charge in the maximum amount of \$2,500,000 (the "**Subordinate D&O Charge**") and together with the Priority D&O Charge, the "**D&O Charges**", and the D&O Charges, together with the DIP Charge and the Administration Charge, the "**Charges**") shall be sought in the ARIO, which shall rank subordinate in priority to the DIP Charge. For greater certainty the granting of the Subordinate D&O Charge shall not be in contravention of this DIP Term Sheet.

"**Existing Secured Debt**" means (i) the debt owing as at May 8, 2026, in the aggregate principal amount of approximately \$175,000,000 (which for certainty, includes amounts outstanding under term loan facilities), plus interest, fees, costs and expenses payable in addition to such aggregate principal amount, under the amended and restated agreement dated as of

March 4, 2026 among the Borrower, as borrower, Canada Enterprise Emergency Funding Corporation, as lender ("**CEEFC**") and Canada Enterprise Emergency Funding Corporation, as administrative agent and Australian security trustee (the "**Senior Agent**") (the "**Existing CEEFC Debt**"), or (ii) the debt owing as at March 31, 2026, in the aggregate principal amount of approximately USD\$78,000,000 (which for certainty, includes amounts outstanding under term credit facilities), plus interest, fees, costs and expenses payable in addition to such aggregate principal amount, under the second lien credit agreement dated as of February 3, 2021 among the Borrower, as borrower, Alter Domus (US) LLC, as administrative agent and collateral agent (the "**2L Agent**") and the lenders party thereto from time to time (the "**2L Lenders**"), as amended by amendment no. 1 dated as of December 13, 2022, as further amended by waiver and amendment no. 2 dated as of June 30, 2023, as further amended by amendment no. 3 dated as of October 9, 2025 and as further amended by amendment no. 4 dated as of December 17, 2025. The Senior Agent, CEEFC, the 2L Agent and the 2L Lenders are collectively referred to herein as the "**Existing Secured Creditors**".

"**Existing Unsecured Debt**" means the debt owing as at April 30, 2026, in the aggregate principal amount of approximately \$96,900,000 (which for certainty, includes amounts outstanding under trade creditor arrangements), plus interest, fees, costs and expenses payable in addition to such aggregate principal amount, in connection with certain trade creditor arrangements of the Borrower with the trade creditors outlined in Exhibit A attached hereto.

Each of the Borrower and the Guarantors hereby acknowledge, confirm and agree that, as of the date hereof, and notwithstanding the entering into of this DIP Term Sheet and the Charges,

- (a) the entering into of the DIP Term Sheet does not limit or diminish in any manner its obligations under the existing guarantees and security documents granted by the Borrower and the Guarantors in favour of the Existing Secured Creditors;
- (b) the existing guarantees granted by the Guarantors in favour of the Existing Secured Creditors (i) continue in full force and effect and have not been amended, terminated, discharged or released, (ii) guarantee the indebtedness, liabilities and obligations of the Borrower to the Existing Secured Creditors in connection with the Existing Secured Debt in accordance with the terms of the existing guarantees, (iii) constitute a legal, valid and binding obligation of the Guarantors in accordance with its terms, subject to applicable bankruptcy and insolvency laws and laws affecting the enforcement of creditors' rights generally and to general principles of equity and (iv) is hereby ratified and confirmed;
- (c) the existing security documents granted by the Borrower and the Guarantors in favour of the Existing Secured Creditors (i) continue in full force and effect in accordance with their terms, (ii) continue to constitute a legal, valid and binding obligation of the Borrower and the Guarantors, enforceable against the Borrower and the Guarantors in accordance with their terms (subject to and except to the extent such enforceability may be limited by applicable bankruptcy, insolvency,

reorganization or similar laws affecting creditors' rights generally and by principles of equity), and (iii) are hereby ratified and confirmed; and

- (d) the existing security documents granted by the Borrower and the Guarantors in favour of the Existing Secured Creditors continue to secure the payment and performance of the obligations under the Existing Secured Debt in accordance with their terms and all security interests created by the existing security documents given in favour of the Existing Secured Creditors by the Borrower and the Guarantors shall continue to charge and create a security interest in the property of the Borrower and the Guarantors described in the existing security documents as being subject to such security interest.

14. MANDATORY REPAYMENTS:

The proceeds of any debt or equity issuance by the Borrower or the Guarantors that occurs from and after the date hereof, and the proceeds of Collateral (for greater certainty, net of reasonable costs and closing adjustments, as applicable), including, without limitation, arising from: (a) any sale of Collateral out of the ordinary course of business (including for greater certainty, any sale of all or substantially all of the Collateral, in accordance with the SISP or otherwise); or (b) insurance proceeds in respect of any damage, loss or destruction of the Collateral (collectively, the "**Net Proceeds**") shall be paid:

- i. first, to satisfy the Administration Charge in the manner and order set out in the applicable Court Order;
- ii. second, to satisfy the Priority D&O Charge in the manner and order set out in the applicable Court Order;
- iii. third, to satisfy the DIP Obligations;
- iv. fourth, to satisfy the Subordinate D&O Charge in the manner and order set out in the applicable Court Order;
- v. fifth, to satisfy other secured indebtedness and liabilities of the Borrower and the Parent including under the Existing Secured Debt in accordance with the terms of an intercreditor agreement dated as of December 17, 2025 among, *inter alios*, the Senior Agent, the Borrower, the Parent, the Surety Bond Providers (as defined therein), the 2L Agent, Alter Domus (US) LLC, as agent for the ACDC Lender and the Zurich Insurance Company Ltd. and Aviva Canada Inc. (the "**Surety Lenders**"), Arctic Canadian Diamond Holding, LLC (the "**ACDC Lender**"), and the Surety Lenders as may be ordered by the Court;
- vi. sixth, to satisfy other unsecured indebtedness and liabilities of the Borrower and the Guarantors including under the Existing Unsecured Debt; and
- vii. seventh, to the Borrower or such other persons as are entitled thereto in accordance with applicable law;

At the end of Phase 1 and Phase 2 of the SISP (each as set out in the SISP), the Borrower shall make a mandatory prepayment of the DIP Obligations to the DIP Lender in an amount equal to all cash of the Borrower that is in excess

of 110% of the cash requirements of the Borrower as detailed in the DIP Agreement Cash Flow Projection for the following 12 weeks (the "**Excess Cash Flow Prepayment Amount**").

The Maximum Amount shall be permanently reduced in an amount equal to the Net Proceeds and the Excess Cash Flow Prepayment Amount, as applicable, so paid to the DIP Lender. For greater certainty, any mandatory repayments shall not be subject to any premium or penalty.

15. REPRESENTATIONS AND WARRANTIES:

Each of the Borrower and the Guarantors represent and warrant to the DIP Lender, upon which the DIP Lender relies in entering into this DIP Term Sheet, that:

- (a) each of the Borrower and the Guarantors is a corporation duly incorporated and validly existing under the laws of its governing jurisdiction and is duly qualified, licensed or registered to carry on business under the laws applicable to it in all jurisdictions in which the nature of its assets or business (including the ownership and operation of the Ekati Diamond Mine) makes such qualification necessary, except where the failure to have such qualification, license or registration would not constitute a Material Adverse Event. For the purpose of this DIP Term Sheet, "**Material Adverse Event**" means one or more events or occurrences occurring (i) prior to the issuance of the IO and not previously disclosed to the DIP Lender and (ii) after the issuance of the IO which individually or collectively could have a material adverse effect (a "**Material Adverse Effect**") on: (i) the operations, financial condition, business or assets (including the Ekati Diamond Mine) of the Borrower or the Guarantors; (ii) the ability of the Borrower or the Guarantors to comply with their respective obligations hereunder or under any Court Order; or (iii) the interests of the DIP Lender or its ability to be fully repaid the DIP Obligations in accordance with the terms hereof;
- (b) each of the Borrower and the Guarantors has all requisite corporate or other power and authority to: (i) carry on its business (including owning and operating the Ekati Diamond Mine); (ii) own property, borrow monies and enter into agreements therefor; and (iii) subject to the entry of the IO, ARIO and SISP Order, execute and enter into the DIP Term Sheet and observe and perform the terms and provisions thereof;
- (c) the execution and delivery of this DIP Term Sheet by the Borrower and the Guarantors and the performance by the Borrower and the Guarantors of their obligations hereunder has been duly authorized by all necessary corporate or other action and any actions required under applicable laws. Except as has been obtained and is in full force and effect, and subject to the entry of the IO, ARIO and SISP Order, no registration, declaration, consent, waiver or authorization of, or filing with or notice to, any governmental body is required to be obtained in connection with the performance by the Borrower and the Guarantors of their obligations under this DIP Term Sheet;
- (d) this DIP Term Sheet has been duly executed and delivered by the Borrower and the Guarantors and constitutes a legal, valid and binding obligation of the Borrower and the Guarantors, enforceable against it in accordance with its terms, subject only to any limitation

under applicable laws relating to (i) bankruptcy, insolvency, reorganization, moratorium or creditors' rights generally; (ii) the fact that specific performance and injunctive relief may only be given at the discretion of the courts; and (iii) the equitable or statutory powers of the courts to stay proceedings before them and to stay the execution of judgments;

- (e) the execution and delivery of this DIP Term Sheet by the Borrower and the Guarantors and the performance by the Borrower and the Guarantors of their obligations hereunder and compliance with the terms, conditions and provisions hereof, will not conflict with or result in a breach in any material respect of any of the terms, conditions or provisions of: (i) its constituting documents (including any shareholders' agreements) or by-laws or the equivalent documents in the Guarantors' applicable jurisdiction; (ii) any applicable laws; (iii) except as stayed pursuant to the Proceeding by the terms of any Court Order, any contractual restriction binding on or affecting it or its material properties; or (iv) any material judgment, injunction, determination or award which is binding on it;
- (f) each of the Borrower and the Guarantors is in compliance with all applicable laws of each jurisdiction in which its business has been or is being carried on, non-compliance with which would reasonably be expected to have a Material Adverse Effect;
- (g) there are no actions, suits or proceedings pending, taken or, to the Borrower's knowledge, threatened, before or by any governmental body or by any elected or appointed public official or private person in Canada or elsewhere, whether or not having the force of law, which would reasonably be expected to have a Material Adverse Effect and which will have not been stayed pursuant to the IO and the ARIO, as applicable;
- (h) the DIP Agreement Cash Flow Projection includes a provision for payment of all projected obligations of any kind whatsoever reasonably anticipated by the Borrower on the date hereof that, if not paid, could result in statutory liens ranking in priority to the DIP Charge;
- (i) each of the Borrower and the Guarantors has good and marketable title to all of the Collateral free from any title defects or irregularities that do not, individually or in the aggregate, materially affect the operation of the business of the Borrower and the Guarantors taken as a whole;
- (j) each of the Borrower and the Guarantors has filed all material tax returns that are required to be filed and has in all material respects paid all taxes, interest and penalties, if any, which have become due pursuant to such returns or pursuant to any assessment received by it, except any such assessment that is being contested in good faith by proper legal proceedings. Without limiting the foregoing, all employee source deductions (including in respect of income taxes, employment insurance and Canada Pension Plan) payroll taxes and workers' compensation dues are currently paid and up to date, subject to normal course accruals;

- (k) except as set out on Schedule "D" attached hereto, there are no actions, suits or proceedings (including any tax-related matter) by or before any arbitrator or governmental authority or by any other person pending against or threatened against or affecting the Borrower or the Guarantors that could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect that will not have been stayed pursuant to the IO;
- (l) each of the Borrower and the Guarantors maintain insurance policies and coverage that: (i) is sufficient for compliance with any applicable law and all material agreements to which it is a party; and (ii) provide adequate insurance coverage in at least such amounts and against at least such risks as are usually insured against in the same general area by persons engaged in the same or similar business to the assets and operations of the Borrower and the Guarantors;
- (m) all factual information provided by or on behalf of the Borrower and the Guarantors to the DIP Lender for the purposes of or in connection with this DIP Term Sheet or any transaction contemplated herein, is true and accurate in all material respects on the date as of which such information is dated or certified and remains true in all material respects as of the date provided and is not incomplete by omitting to state any fact necessary to make such information (taken as a whole) not materially misleading at such time in light of the circumstances under which such information was provided. With respect to any projections, future business plans or forward looking financial statements, the Borrower is not guaranteeing in giving this representation and warranty that the actual future results will be as forecast or projected (but, for greater certainty, the DIP Lender has all of its rights hereunder in the event that such actual future results are not as forecast or projected, including, without limitation, as provided for in Section 19(g) herein); and
- (n) as of the date hereof, except set out on Schedule "E" hereto, neither the Borrower nor the Guarantors administers any pension plans and does not have any outstanding payment obligations in respect of special payments or amortization payments, including without limitation, in respect of pension plans, payments related to post-retirement benefits, solvency deficiencies or wind-up shortfalls in relation to any pension plan;
- (o) the full corporate organizational chart of the Guarantors, the Borrower and their subsidiaries is attached hereto as Schedule "F";
- (p) the Borrower maintains each surety bond outlined in Schedule "G" attached hereto in the amounts secured thereby;
- (q) the Material Contracts and Material Licenses listed in Schedule "H" attached hereto are all of the Material Contracts and Material Licenses that are in existence as of the date hereof. Other than any payment defaults or breaches relating to the issuance of the IO, the Borrower, the Guarantors and each of their respective subsidiaries is in compliance in all material respects with all Material Contracts and Material Licenses;

For the purpose of this DIP Term Sheet, "**Material Contract**" means, collectively, each contract and agreement entered into by the Borrower and the Guarantors which (a) is listed on Schedule "H" attached hereto; (b) if not complied with or terminated, could reasonably be expected to have a Material Adverse Effect, or (c) is necessary for the business of the Borrower or the Guarantors and not replaceable in the commercial marketplace on substantially equivalent terms.

"**Material Licenses**" means, collectively, each license, permit or approval issued by any governmental authority, or any applicable stock exchange or securities commission, to the Borrower or the Guarantors, the breach, default or loss of which could reasonably be expected to result in a Material Adverse Effect.

- (r) (i) except as disclosed in Schedule "I" attached hereto (a) neither the Borrower, the Guarantors or any of their subsidiaries is subject to any civil or criminal proceeding relating to Requirements of Environmental Laws and is not aware of any investigation or threatened proceeding or investigation, which if adversely determined, could reasonably be expected to have a Material Adverse Effect, (b) the Borrower, the Guarantors and each of their subsidiaries has all Material Licenses, registrations and other authorizations required by the Requirements of Environmental Laws for the operation of its business and the properties which it owns, leases or otherwise occupies, (c) the Borrower, the Guarantors and each of their subsidiaries currently operates its business and its owned and leasehold real property in compliance in all material respects with all applicable Requirements of Environmental Laws, (d) no Hazardous Substances are stored or disposed of by the Borrower, the Guarantors or any of their subsidiaries or otherwise used by the Borrower, the Guarantors or any of their subsidiaries in material violation of any applicable material Requirements of Environmental Laws (including, without limitation, that there has been no release of Hazardous Substances by the Borrower, the Guarantors or any of their subsidiaries at, on or under any real property now or previously owned or, to the knowledge of the Borrower, leased by the Borrower, the Guarantors or any of their subsidiaries), (e) to the knowledge of the Borrower (i) all underground storage tanks now or previously located on any real property owned or leased by the Borrower, the Guarantors or any of their subsidiaries have been operated, maintained and decommissioned or closed, as applicable, in compliance with applicable Requirements of Environmental Law; and (ii) no real property or groundwater in, on or under any property now or previously owned or leased by the Borrower, the Guarantors or any of their subsidiaries is or has been during the Borrower, the Guarantors or such subsidiary's ownership or occupation of such property contaminated by any Hazardous Substance, except for any contamination that could not reasonably be expected to give rise to material liability under Requirements of Environmental Laws nor, to the best of its knowledge, is any such property named in any list of hazardous waste or contaminated sites maintained under the Requirements of Environmental Law;

For the purpose of this DIP Term Sheet, "**Requirements of Environmental Laws**" means all applicable requirements of the common law or of statutes, regulations, by-laws, ordinances, treaties,

judgments and decrees, and (to the extent that they have the force of law) rules, policies, guidelines, orders, approvals, notices, permits and directives of any applicable federal, territorial, provincial, state, regional, municipal or local judicial, regulatory or administrative agency, board or other governmental authority in any jurisdiction in which the Borrower or the Guarantors has operations or assets relating to environmental or occupational health and safety matters (as they relate to exposure to a Hazardous Substance) and the assets and undertaking of the Borrower or the Guarantors and the intended uses thereof in connection with such matters, including but not limited to, all such requirements relating to: (a) the protection, preservation or remediation of the natural environment (the air, land, surface water or groundwater); (b) solid, gaseous or liquid waste generation, handling, treatment, storage, disposal or transportation; (c) consumer, occupational or public safety and health (as they relate to exposure to a Hazardous Substance); and (d) Hazardous Substances or conditions (matters that are prohibited, controlled or otherwise regulated, such as contaminants, pollutants, toxic substances, dangerous goods, wastes, hazardous wastes, liquid industrial wastes, hazardous materials, petroleum and other materials such as urea formaldehyde and polyurethane foam insulation, asbestos or asbestos-containing materials, polychlorinated biphenyls ("PCBs") or PCB contaminated fluids or equipment, lead based paint, explosives, radioactive substances, petroleum and associated products, above ground and underground storage tanks or surface impoundments).

"Hazardous Substance" means any substance, product, waste, pollutant, material, chemical, contaminant, dangerous goods, constituent, ray, odour or other material listed, regulated, or addressed under any Requirements of Environmental Law, including, without limitation, asbestos, petroleum, and polychlorinated biphenyls.

- (s) all claim maintenance fees, mining patents, taxes, fees and other amounts have been paid when due and payable and all other actions have been taken and all other obligations as are required to maintain the Ekati Diamond Mine as needed for the business of the Borrower have been complied with, other than any payables or actions which have been stayed pursuant to the IO or the ARIQ, as applicable; and
- (t) there are no claims (i) pending by any group representing Indigenous Group involving the Ekati Diamond Mine, the Borrower or the Guarantors or (ii) threatened in writing against the Borrower, the Guarantors or the Ekati Diamond Mine by such group. Neither the Borrower nor the Guarantors is aware of any opposition by Indigenous Groups to, or threats to oppose, the development, construction, operation or closure of the Ekati Diamond Mine or any other aspect of their business. Other than as set out in Schedule "J" attached hereto, neither the Borrower or the Guarantors has entered into any agreements, understandings or commitments, including any impact and benefit agreements, with any Indigenous Group with respect to the Ekati Diamond Mine;

For the purpose of this DIP Term Sheet, **"Indigenous Group"** means any Indian or Indian Band (as those terms are defined in the *Indian Act* (Canada)) or community identifying as Indigenous, Inuit, Métis or

Aboriginal or any group asserting or otherwise claiming an Aboriginal or treaty right, including Aboriginal title, and any person or group with a legal and valid right to represent the foregoing.

16. AFFIRMATIVE COVENANTS:

Each of the Borrower and the Guarantors (as applicable) covenants and agrees to do the following until such time as the DIP Obligations are repaid in full:

- (a) keep the DIP Lender apprised on a timely basis of all material activities and developments with respect to the Collateral, the business and affairs of the Borrower and the Guarantors and the Proceeding;
- (b) perform its obligations hereunder and under any other contract or agreement with the DIP Lender or any of its affiliates as and when required and in the manner required, other than any payment obligations owing to CEEFC pursuant to the Existing CEEFC Debt;
- (c) use the proceeds of the DIP Facility (at all times solely in accordance with the terms hereof and the DIP Agreement Cash Flow Projection) only for the limited purpose of facilitating the Proceeding, including the SISP and for the purpose of funding: (i) transaction costs and expenses incurred by the DIP Lender in connection with the DIP Facility; (ii) reasonable professional fees and expenses incurred by the Borrower and the Monitor in respect of the DIP Facility and the Proceeding in accordance with the terms of the DIP Facility; and (iii) all professional fees and expenses (including, without limitation, fees and expenses of legal and financial advisors) incurred by the DIP Lender in its capacities both as DIP Lender and an Existing Creditor in respect of its Existing Secured Debt;
- (d) comply with the provisions of all court orders made in connection with the Proceeding (collectively, the “**Court Orders**” and each a “**Court Order**”);
- (e) preserve, renew and keep in full force the Borrower’s and the Guarantors’ corporate or other existence and all material licenses, permits, approvals, etc. required in respect of their respective business, properties, assets or any activities or operations carried out therein;
- (f) operate its business in compliance with all applicable material Requirements of Environmental Laws and operate all property owned, leased or otherwise occupied by it with a view to ensuring that no material obligation, including any clean-up or remedial obligation, arises in respect of the Borrower and the Guarantors under any Requirements of Environmental Law. It will promptly notify the DIP Lender, to the extent not disclosed as of the date hereof, upon (i) learning of the existence of Hazardous Substances located on, above or below the surface of any land which it owns, leases, operates, occupies or controls (except those being stored, used or otherwise handled in compliance with applicable Requirements of Environmental Laws in all material respects), or contained in the soil or water constituting such land and (ii) the occurrence of any release, spill, leak, emission, discharge, leaching, dumping or disposal of Hazardous Substances that has occurred on or from such land that is

reportable under applicable law and which, in either case, is likely to result in material liability under Requirements of Environmental Law;

- (g) maintain the insurance in existence as of the date hereof with respect to the Collateral;
- (h) conduct its activities in accordance with the DIP Agreement Cash Flow Projection;
- (i) promptly notify the DIP Lender and the Monitor of the occurrence of any Event of Default, or of any event or circumstance (a "**Default**") that may, with the passage of time or the giving of notice, constitute an Event of Default;
- (j) promptly notify the DIP Lender and the Monitor of the commencement of, or receipt of notice of intention to commence, any action, suit, investigation, litigation or proceeding before any court, governmental department, board, bureau, agency or similar body affecting the Borrower or the Guarantors;
- (k) promptly after the same is available, but in no event later than the day that is two (2) Business Days prior to the date on which the same is to be served, provide drafts and final copies to the DIP Lender of all pleadings, motion records, application records, judicial information, financial information and other documents filed or to be filed by or on behalf of the Borrower in the Proceeding, and consult with the DIP Lender with respect to any and all materials;
- (l) subject to the CCAA and the Court Orders, comply in all material respects with all applicable laws, rules and regulations applicable to its business, including, without limitation, health and safety, and environmental laws;
- (m) except where a stay of proceedings or Court Order otherwise applies, pay when due all statutory liens, trust and other Crown claims including employee source deductions, GST, HST, PST, employer health tax, and workplace safety and insurance premiums, but only with respect to: (i) payments that rank in priority to the DIP Charge; or (ii) payments that are otherwise authorized pursuant to the ARIO and this DIP Term Sheet;
- (n) treat as unaffected the DIP Obligations in any plan of compromise or arrangement, proposal or any other restructuring whatsoever;
- (o) at all times be and remain subject to the Proceeding until the DIP Obligations are irrevocably and unconditionally repaid in full, with no further right to DIP Advances;
- (p) ensure that all motion records, pleadings, application records, orders and other documents (the "**Court Documents**") filed, proposed, sought, served, and obtained by the Borrower or in respect of which the Borrower consents or does not object, in or in connection with the Proceeding shall be in form and substance satisfactory to the DIP Lender, in its sole and absolute discretion, and provide to the DIP Lender copies of such Court Documents as soon as practicable prior

to any filing or service in the Proceeding, but in no event later than the day that is two (2) Business Days prior to the date on which the same is to be served;

- (q) subject to the CCAA and the Court Orders, grant the DIP Lender and its professional advisors reasonable access to the Collateral and their business, properties, and books and records; and
- (r) conduct the SISP strictly in accordance with its terms (including milestones and timelines) and strictly comply with the SISP Order.

17. NEGATIVE COVENANTS:

Each of the Borrower and the Guarantors (as applicable) covenants and agrees not to do the following or permit any subsidiary to do the following while any DIP Obligations remain outstanding, other than with the prior written consent of the DIP Lender, in its sole and absolute discretion, or pursuant to an Order of the Court:

- (a) transfer, lease or otherwise dispose of all or any part of its property, assets or undertaking except strictly in the ordinary course of their businesses;
- (b) make any payment of principal or interest in respect of any indebtedness outstanding prior to the commencement of the Proceeding including, without limitation, the Existing Secured Debt, (collectively, the “**Existing Indebtedness**”) other than as may be expressly permitted or required herein;
- (c) create or permit to exist indebtedness for borrowed money other than: (i) Existing Indebtedness; (ii) debt contemplated by this DIP Facility; and (iii) post-filing trade credit obtained in the ordinary course of business, in accordance with the DIP Agreement Cash Flow Projection;
- (d) permit any new liens to exist on any Collateral other than (i) the DIP Charge, (ii) the Administration Charge, (iii) the D&O Charges, and (iv) any liens permitted pursuant to section 16 of the IO (as may be amended or restated, including pursuant to the ARIO and the equivalent provision thereunder);
- (e) either: (i) change its name, amalgamate, consolidate with or merge into, or enter into any similar transaction with any other entity; or (ii) make any changes to its organizational documents that could be adverse to the DIP Lender;
- (f) other than as permitted by the terms of this DIP Term Sheet, make any acquisitions, investments or loans to any person or guarantee the obligations of any person, other than those in existence as of the date hereof and previously disclosed to the DIP Lender in writing;
- (g) enter into any transaction with any affiliate, related or non-arms length person;
- (h) amend, replace, terminate (other than by lapse of its term), or waive any provision of any Material Contract to which it is a party in any manner which is adverse in any way to the interest of the Borrower or

the Guarantors that is party thereto or to the interests of the DIP Lender;

- (i) pay any dividends, distributions or advances to shareholders of the Borrower or the Guarantors, repay any intercompany indebtedness or any management bonus or similar payments, except with respect to management bonuses or similar payments only to the extent expressly provided for in the DIP Agreement Cash Flow Projection;
- (j) hold or use any bank accounts other than as set out on Schedule "K" attached hereto or otherwise agreed to by the DIP Lender in writing;
- (k) engage in new businesses;
- (l) change its fiscal year or accounting practices;
- (m) issue any equity;
- (n) take any action (or in any way support the taking of any action by another person) that has, or may have, a material adverse impact on the rights and interests of the DIP Lender, including, without limitation, any action in furtherance of challenging the validity, enforceability or amount of the obligations owing in respect of the DIP Facility; and
- (o) commence, continue or seek any stakeholder or court approval for any sale, restructuring transaction or plan without the prior written consent of the DIP Lender in its sole and absolute discretion.

**18. INDEMNITY AND
RELEASE:**

The Borrower and the Guarantors agree to indemnify and hold harmless the DIP Lender and each of its directors, officers, employees, agents, attorneys, advisors and affiliates (all such persons and entities being referred to hereafter as "**Indemnified Persons**") from and against any and all actions, suits, proceedings (including any investigations or inquiries), claims, losses, damages, liabilities or expenses of any kind or nature whatsoever (excluding indirect or consequential damages and claims for lost profits) which may be incurred by or asserted against or involve any Indemnified Person as a result of or arising out of or in any way related to or resulting from the Proceeding, this DIP Term Sheet or any advance made hereunder, and, upon demand, to pay and reimburse any Indemnified Person for any reasonable legal or other out-of-pocket expenses incurred in connection with investigating, defending or preparing to defend any such action, suit, proceeding (including, without limitation, any inquiry or investigation) or claim (whether or not any Indemnified Person is a party to any action or proceeding out of which any such expenses arise); provided, however, the Borrower and the Guarantors shall not be obligated to indemnify pursuant to this paragraph any Indemnified Person against any loss, claim, damage, expense or liability to the extent it resulted from the gross negligence or willful misconduct of such Indemnified Person as finally determined by a court of competent jurisdiction.

The indemnities granted under this DIP Term Sheet shall survive any termination of the DIP Facility.

Neither the Borrower nor the Guarantors shall contest, challenge or in any way oppose (or support any other person in contesting, challenging or opposing) the validity and enforceability of the DIP Obligations or any loan, security or other documents relating thereto. The Borrower and the Guarantors further covenants to, and does hereby, release the DIP Lender in its capacity as lender hereunder and its respective predecessors, successors, agents, advisors, representatives and assigns of and from all claims and liabilities relating to any act or omission prior to the date of this DIP Term Sheet.

**19. EVENTS OF
DEFAULT:**

The occurrence of any one or more of the following events, without the prior written consent of the DIP Lender, in its sole and absolute discretion, shall constitute an event of default ("**Event of Default**") under this DIP Term Sheet:

- (a) the issuance of an order terminating the Proceeding or lifting the stay in the Proceeding to permit the enforcement of any security against the Borrower or the Guarantors, or any of the Collateral, or the appointment of a receiver and manager, receiver, interim receiver or similar official or the making of a bankruptcy order against the Borrower or the Guarantors, or any of the Collateral, or the termination of the Proceeding or the stay of proceedings provided therein in any respect;
- (b) the issuance of an order granting a lien of equal or superior status to that of the DIP Charge, other than the Administration Charge and the Priority D&O Charge;
- (c) the issuance of any Court Order: (i) staying, reversing, vacating or otherwise modifying the DIP Charge, the IO, the ARIO, or the SISP Order; or (ii) that adversely impacts or could reasonably be expected to adversely impact the rights and interests of the DIP Lender in connection with the Collateral or under this DIP Term Sheet or the IO, the ARIO or the SISP Order, as determined by the DIP Lender, in its

sole and absolute discretion; provided, however, that any such order that provides for payment in full forthwith of all of the obligations of the Borrower and the Guarantors under the DIP Facility shall not constitute an Event of Default;

- (d) failure of the Borrower or the Guarantors to pay any principal, interest, fees or any other amounts, in each case when due and owing hereunder;
- (e) if the IO is not issued by the Court on May 1, 2026 or either the ARIO or the SISP Order is not issued by the Court on or before May 11, 2026;
- (f) if the requirements and timelines of the SISP are not strictly complied with including, without limitation, requirements to: (i) commence the SISP on or before May 11, 2026; (ii) receive non-binding expressions of interests by no later than July 10, 2026; (iii) receive definitive binding and unconditional offers by no later than October 9, 2026; (iv) select and obtain Court approval for a winning offer by no later than October 23, 2026; and (v) complete the transaction contemplated by the Court-approved winning offer on or before November 6, 2026;
- (g) if: (i) any Proposed Amended Cash Flow Projection that is not otherwise consented to by the DIP Lender in accordance with Section 7 indicates either that: (A) a Negative Variance has occurred or will occur; or (B) the Borrower would require additional funding above the Maximum Amount to meet its obligations at any time during the period of the DIP Agreement Cash Flow Projection; or (ii) any Weekly Cash Flow Report required to be delivered in accordance with Section 7 hereof indicates that a Negative Variance has occurred. A "Negative Variance" in respect of the DIP Agreement Cash Flow Projection, on the one hand, and any Proposed Amended Cash Flow Projection or Weekly Cash Flow Report, on the other hand, means any negative variance: (i) equal to or in excess of 10% of total receipts; (ii) equal to or in excess of 10% of total disbursements; or (iii) of net cash flow from operations and non-operating activities before DIP Advances that exceeds \$3 million, in each case tested on a cumulatively basis;
- (h) any representation or warranty made by the Borrower or the Guarantors herein or in any Drawdown Certificate delivered by the Borrower or the Guarantors to the DIP Lender shall be incorrect or misleading in any material respect as of the date made or deemed made;
- (i) a court order is made (whether in the Proceeding, or otherwise), a liability arises or an event occurs, including any change in the business, assets, or conditions, financial or otherwise, of the Borrower or the Guarantors, that has or that could reasonably be expected to have a Material Adverse Effect;
- (j) any material breach of any Court Order upon receipt by the Borrower or the Guarantors of notice from the DIP Lender of such breach by the Borrower or the Guarantors;
- (k) failure of the Borrower or the Guarantors to perform or comply with any other term or covenant under this DIP Term Sheet and such

default shall continue unremedied for a period of five (5) Business Days after the earlier of (i) delivery of notice given by the DIP Lender to the Borrower, with a copy to the Monitor, or (ii) the Borrower's knowledge of such failure to perform or comply;

- (l) any change of control of the Borrower or the Guarantors; or
- (m) the seeking or support by the Borrower or the Guarantors, or the issuance, of any court order (in the Proceeding or otherwise) that is, in the sole and absolute discretion of the DIP Lender, adverse to the interests of the DIP Lender or otherwise not in form and substance satisfactory to the DIP Lender.

20. REMEDIES:

Upon the occurrence and during the continuance of an Event of Default, whether or not there is availability under the DIP Facility, (a) without any notice to the Borrower, the Borrower shall have no right to receive any additional DIP Advances or other accommodation of credit from the DIP Lender except in the sole and absolute discretion of the DIP Lender; and (b) the DIP Lender may immediately terminate the DIP Facility and demand immediate payment of all DIP Obligations by providing such a notice and demand to the Borrower, with a copy to the Monitor. With the leave of the Court sought on not less than five (5) Business Days' notice to the Borrower and the Monitor after the occurrence and during the continuance of an Event of Default, the DIP Lender shall have the right to enforce the DIP Charge and to exercise all other rights and remedies in respect of the DIP Obligations and the DIP Charge, including the right to realize on all Collateral and to apply to the Court for the appointment of a Court-appointed receiver (subject to the application of a portion of the proceeds of realization to Administration Charge, as applicable). No failure or delay by the DIP Lender in exercising any of its rights hereunder or at law shall be deemed a waiver of any kind, and the DIP Lender shall be entitled to exercise such rights in accordance with this DIP Term Sheet at any time.

21. FEES:

The Borrower shall pay to the DIP Lender (i) an upfront fee (the "**Upfront Fee**") in an amount equal to \$150,000, and (ii) an extension fee (the "**Extension Fee**") in an amount equal to \$750,000. The Upfront Fee shall be earned and payable upon execution and delivery of this DIP Term Sheet to the DIP Lender and approval of this DIP Term Sheet by the Court, whether in the IO, ARIQ, or otherwise. The Extension Fee shall be earned and payable concurrent with the initial DIP Advance under Tranche 2. The Upfront Fee and Extension Fee, once earned and payable, shall be non-refundable under all circumstances and shall be paid by adding the amount of such fee to the principal amount of DIP Obligations on the closing date of this DIP Term Sheet. Amounts representing the Upfront Fee and the Extension Fee that are added to the principal amount of the DIP Obligations shall thereafter constitute principal and bear interest in accordance with Section 12.

22. LEGAL FEES:

The Borrower shall pay by wire transfer, within three (3) Business Days of receipt of a summary invoice, all out-of-pocket expenses, including all legal expenses on a solicitor-client basis and all financial advisory and similar expenses, incurred by the DIP Lender in connection with the Proceeding, this DIP Term Sheet and the DIP Facility, and by the DIP Lender and any affiliate thereof in respect of its Existing Secured Debt, in each case including all those expenses with respect to any enforcement of: (i) the terms hereof; (ii) the DIP Charge; or (iii) the Existing Secured Debt (the "**Expenses**") and whether incurred prior to or subsequent to the date of the IO.

Subject to Court approval of this DIP Term Sheet, all Expenses shall be non-refundable under all circumstances.

23. DIP LENDER APPROVALS:

Any consent, approval, instruction or other expression of the DIP Lender to be delivered in writing may be delivered by any written instrument, including by way of email, by the DIP Lender pursuant to the terms hereof.

24. TAXES:

All payments by the Borrower and the Guarantors under this DIP Term Sheet to the DIP Lender, including any payments required to be made from and after the exercise of any remedies available to the DIP Lender upon an Event of Default, shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, levies, imposts, duties, charges, fees, deductions or withholdings of any kind or nature whatsoever or any interest or penalties payable with respect thereto now or in the future imposed, levied, collected, withheld or assessed by any country or any political subdivision of any country (collectively, "**Taxes**"), unless required by applicable law. If any applicable law requires the deduction or withholding of any Taxes from or in respect of any such payment, then (i) the applicable payor shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant governmental authority in accordance with applicable law, and (ii) in the case of Taxes (other than Excluded Taxes) the sum payable by the applicable payor shall be increased as necessary so that after all such deductions or withholdings for such Taxes have been made (including such deductions and withholdings for such Taxes applicable to additional sums payable under this Section 24) the DIP Lender receives an amount equal to the sum it would have received had no such deduction or withholding for such Taxes been made. For purposes of this Section 24, "**Excluded Taxes**" means (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes and branch profits Taxes, and (b) any applicable Canadian withholding Taxes arising as a result of (i) the DIP Lender not dealing at arm's length (within the meaning of the *Income Tax Act* (Canada) ("**ITA**")) with the Borrower at the time of making such payment, (ii) the DIP Lender being a "specified non-resident shareholder" (as defined in subsection 18(5) of the ITA) of the Borrower or not dealing at arm's length (for the purposes of the ITA) with a "specified shareholder" (as defined in subsection 18(5) of the ITA) of the Borrower, or (iii) the Borrower being a "specified entity" (as defined in subsection 18.4(1) of the ITA) in respect of the DIP Lender, except, in the case of (i) through (iii), (x) where the non-arm's length relationship, (y) where the DIP Lender being a "specified non-resident shareholder" of the Borrower or not dealing at arm's length with a "specified shareholder" of the Borrower, or (z) where the Borrower being a "specified entity" in respect of the DIP Lender, as applicable, arises in connection with or as a result of the DIP Lender having become a party to, executed, delivered, received payments under, performed its obligations under, received or perfected a security interest under, or enforced any rights under, any loan document.

25. FURTHER ASSURANCES:

The Borrower and the Guarantors shall, at their sole cost and expense, from time to time do, execute and deliver, or will cause to be done, executed and delivered, all such further acts, documents and things as the DIP Lender may reasonably request for the purpose of giving effect to this DIP Term Sheet. Without limiting the foregoing, the Borrower and the Guarantors agree that if so requested by the DIP Lender, acting reasonably, it shall promptly execute and deliver to the DIP Lender any general security agreement or other security documents securing its obligations to the DIP Lender hereunder in forms reasonable and customary for debtor in possession financings, provided

however that the execution of any such security document shall not be a condition precedent to funding the Maximum Amount or DIP Advances hereunder.

26. ENTIRE AGREEMENT; CONFLICT:

This DIP Term Sheet, including the schedules attached hereto, constitutes the entire agreement between the parties relating to the subject matter hereof.

27. AMENDMENTS, WAIVERS, ETC.:

No waiver or delay on the part of the DIP Lender in exercising any right or privilege hereunder will operate as a waiver hereof or thereof unless made in writing and delivered in accordance with the terms of this DIP Term Sheet. Any amendment to the terms of this DIP Term Sheet shall be made in writing and signed by the parties hereto.

28. ASSIGNMENT:

The DIP Lender may assign this DIP Term Sheet and its rights and obligations hereunder, in whole or in part, to any party acceptable to the DIP Lender, in its sole and absolute discretion, provided that the Monitor is satisfied that such assignee has the financial capacity to act as DIP Lender.

Neither this DIP Term Sheet nor any right and obligation hereunder may be assigned by the Borrower or the Guarantors.

29. SEVERABILITY:

Any provision in this DIP Term Sheet that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

30. COUNTERPARTS AND SIGNATURES:

This DIP Term Sheet may be executed in any number of counterparts and by electronic transmission, each of which when executed and delivered shall be deemed to be an original, and all of which when taken together shall constitute one and the same instrument. Any party may execute this DIP Term Sheet by signing any counterpart of it.

31. NOTICES:

Any notice, request or other communication hereunder to any of the parties shall be in writing and be well and sufficiently given if delivered personally or sent by electronic mail to the attention of the person as set forth below:

(a) In the case of the Borrower or the Guarantors:

Arctic Canadian Diamond Company Ltd.
900-606 4th Street SW
Calgary, Alberta T2P 1T1

Attention: Brent Mierau
Email: brent.mierau@burgundydiamonds.com

With a copy to:

Blake, Cassels & Graydon LLP
1133 Melville Street, Suite 3500
Vancouver, British Columbia V6E 4E5

Attention: Peter Rubin and Samantha Rossman
Email: peter.rubin@blakes.com / samantha.rossman@blakes.com

And with a copy to the Monitor:

FTI Consulting Canada Inc.
701 W Georgia Street, Suite 1450
Vancouver, British Columbia V7Y 1B6

Attention: Mike Clark and Tom Powell
Email: mike.clark@fticonsulting.com and
tom.powell@fticonsulting.com

And with a copy to the Monitor's Counsel:

Fasken Martineau DuMoulin LLP

550 Burrard Street, Suite 2900
Vancouver, British Columbia V6C 0B3

Attention: Lisa Hiebert
Email: lhiebert@fasken.com

(b) In the case of the DIP Lender:

Canada Enterprise Emergency Funding Corporation
161 Bay Street, Suite 4540
Toronto, Ontario M5J 2S1

Attention: President and Chief Executive Officer
Email: notices@ceefc-cfuec.ca

With a copy to:

Torlys LLP
79 Wellington Street East
Suite 3000
Toronto, ON M5K 1N2

Attention: David Bish / Amanda Balasubramanian
Email: dbish@torlys.com / abalasubramanian@torlys.com

Any such notice shall be deemed to be given and received, when received, unless received after 5:00 EST or on a day other than a Business Day, in which case the notice shall be deemed to be received the next Business Day.

**32. GOVERNING LAW
AND JURISDICTION:**

This DIP Term Sheet shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein.

**33. CURRENCY AND
JUDGMENT CURRENCY:**

Unless otherwise specified herein, all dollar amounts are in the lawful currency of Canada. The Borrower shall pay to the DIP Lender all payments on account of principal and interest hereunder in lawful money of Canada.

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If in the recovery by the DIP Lender of any amount owing by the Borrower or the Guarantors hereunder in any currency, judgment can only be obtained in another currency and because of changes in the exchange rate of such currencies between the date of judgment and payment in full of the amount of such judgment, the amount received by the DIP Lender is less than the recovery provided for under the judgment, the Borrower and the Guarantors shall immediately pay any such shortfall to the DIP Lender and such shortfall can be claimed by the DIP Lender against the Borrower and the Guarantors as an alternative or additional cause of action.

IN WITNESS HEREOF, the parties hereby execute this DIP Term Sheet as at the date first above mentioned.

BORROWER:

**ARCTIC CANADIAN DIAMOND COMPANY
LTD.**

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

GUARANTORS:

Executed by **BURGUNDY DIAMOND MINES
LIMITED** in accordance with section 127 of the
Corporations Act 2001 (Cth) by:

Signature of director

Signature of director/secretary

Name of director (print)

Name of director/secretary (print)

**BURGUNDY DIAMONDS (CANADA)
LIMITED**

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

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DIP LENDER:

**CANADA ENTERPRISE EMERGENCY
FUNDING CORPORATION**

By: _____

Name:

Title:

Appendix C

Second Cash Flow Statement

Week Ending (CAD in thousands)	Phase 1 Completed >>																
	Week 1 8-May-26 Forecast	Week 2 15-May-26 Forecast	Week 3 22-May-26 Forecast	Week 4 29-May-26 Forecast	Week 5 5-Jun-26 Forecast	Week 6 12-Jun-26 Forecast	Week 7 19-Jun-26 Forecast	Week 8 26-Jun-26 Forecast	Week 9 3-Jul-26 Forecast	Week 10 10-Jul-26 Forecast	Week 11 17-Jul-26 Forecast	Week 12 24-Jul-26 Forecast	Week 13 31-Jul-26 Forecast	Week 14 7-Aug-26 Forecast	Week 15 14-Aug-26 Forecast	Week 16 21-Aug-26 Forecast	Week 17 28-Aug-26 Forecast
Operating Receipts																	
Diamond Sales	[1]	\$ -	\$ -	\$ 11,461	\$ 7,641	\$ -	\$ 2,472	\$ 5,347	\$ 2,466	\$ -	\$ -	\$ -	\$ 8,315	\$ 5,543	\$ -	\$ -	\$ -
GST Refunds		-	-	-	627	-	-	-	327	-	-	-	327	-	-	-	327
Total Operating Receipts		-	-	11,461	8,267	-	2,472	5,347	2,793	-	-	-	8,315	5,543	-	-	327
Operating Disbursements																	
Payroll and Benefits	[2]	(1,400)	(1,332)	(1,400)	(1,332)	(1,400)	(1,332)	(1,400)	(1,332)	-	(1,573)	(1,380)	(4,767)	(1,380)	(1,573)	(1,380)	(1,573)
Procon (Labour & Equipment)	[3]	(598)	(598)	(598)	(598)	(598)	(598)	(598)	(598)	(598)	(598)	(598)	(598)	(598)	(598)	(598)	(598)
Flights		(480)	(70)	(70)	(70)	(70)	(70)	(70)	(70)	(70)	(70)	(70)	(70)	(70)	(70)	(70)	(70)
Freight and Transportation	[4]	(95)	(95)	(95)	(95)	(95)	(95)	(95)	(95)	(95)	(95)	(95)	(95)	(95)	(95)	(95)	(95)
Site Services and Consumables	[5]	(120)	(120)	(120)	(120)	(120)	(120)	(120)	(120)	(120)	(120)	(120)	(120)	(120)	(120)	(120)	(120)
Repair and Maintenance - Equipment	[6]	(700)	(700)	(700)	(700)	(700)	(700)	(700)	(700)	(700)	(700)	(700)	(700)	(700)	(700)	(700)	(700)
Labour (other than Procon)		(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)
Explosives		(57)	(57)	(57)	(57)	(57)	(57)	(57)	(57)	(57)	(57)	(57)	(57)	(57)	(57)	(57)	(57)
Fire Suppression		-	-	(70)	-	-	-	-	(70)	-	-	-	(70)	-	-	-	(70)
Repair and Maintenance - Vehicles		(85)	-	-	-	(85)	-	-	-	-	(85)	-	-	-	(85)	-	-
Insurance and Banking		-	(424)	-	-	-	(6)	-	-	-	-	(825)	-	-	-	(406)	-
Utilities		(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)
Software		(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)
Health & Safety		(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)
GNWT Mineral Leases		-	-	(903)	-	-	-	-	-	-	-	-	-	-	-	-	-
Selling and Distribution		-	-	(222)	-	-	-	-	(201)	-	-	-	-	-	-	-	(122)
Other Professional Fees		-	-	-	-	-	-	-	-	-	(100)	-	-	-	-	-	-
Other Operating Expenses	[7]	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(425)	(425)	(425)	(425)	(425)	(425)	(425)	(425)
Contingency	[8]	(450)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)
Total Operating Disbursements		(4,465)	(4,126)	(4,965)	(3,702)	(3,855)	(3,708)	(3,770)	(3,974)	(2,370)	(4,253)	(4,700)	(7,262)	(3,945)	(4,153)	(4,281)	(4,067)
Net Change in Cash from Operations		(4,465)	(4,126)	6,496	4,565	(3,855)	(1,236)	1,577	(1,181)	(2,370)	(4,253)	(4,700)	(6,936)	4,369	1,390	(4,281)	(3,741)
Non-Operating Receipts and Disbursements																	
Capex	[9]	(615)	(617)	(2,213)	(41)	(300)	(181)	-	-	(26)	-	(4,564)	(584)	-	(3,463)	(2,050)	(1,373)
Capex - Fox Underground	[10]	(125)	(30)	-	(25)	(30)	(100)	-	(25)	-	-	(657)	(50)	(25)	(550)	(180)	(110)
Restructuring Professional Fees	[11]	-	(750)	-	-	-	(600)	-	-	-	(600)	-	-	-	-	(600)	(385)
Private Royalties		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	[12]	-	(700)	(4,561)	(339)	-	-	(700)	-	-	-	(700)	-	-	(12)	-	-
Net Change in Cash from Non-Operating Activities		(740)	(2,097)	(6,774)	(405)	(330)	(881)	(700)	(25)	(26)	(600)	(5,921)	(634)	(25)	(4,025)	(2,930)	(1,598)
Financing																	
Interim Financing	[13]	-	-	-	-	2,000	-	200	2,400	4,900	10,600	7,600	-	-	3,500	6,100	5,400
Net Change in Cash from Financing		-	-	-	-	2,000	-	200	2,400	4,900	10,600	7,600	-	-	3,500	6,100	5,400
Net Change in Cash		(5,206)	(6,224)	(278)	4,160	(4,185)	(117)	877	(1,006)	4	47	(21)	30	4,344	(2,635)	(3,711)	62
Opening Cash		14,997	9,791	3,567	3,290	7,450	3,264	3,148	4,024	3,018	3,021	3,068	3,047	3,077	7,422	4,787	1,024
Ending Cash		\$ 9,791	\$ 3,567	\$ 3,290	\$ 7,450	\$ 3,264	\$ 3,148	\$ 4,024	\$ 3,018	\$ 3,021	\$ 3,068	\$ 3,047	\$ 3,077	\$ 7,422	\$ 4,787	\$ 1,024	\$ 1,086
Opening Interim Financing Balance		-	-	150	150	151	151	2,151	2,151	2,351	4,770	9,670	21,020	28,798	28,798	32,298	38,398
Fees		-	150	-	-	-	-	-	-	-	-	750	-	-	-	-	-
Advances		-	-	-	-	2,000	-	200	2,400	4,900	10,600	7,600	-	-	3,500	6,100	5,400
Interest Applied to Interim Financing		-	-	1	-	-	-	-	-	19	-	-	178	-	-	-	-
Ending Interim Financing Balance		\$ -	\$ 150	\$ 150	\$ 151	\$ 2,151	\$ 2,151	\$ 2,351	\$ 4,770	\$ 9,670	\$ 21,020	\$ 28,620	\$ 28,798	\$ 28,798	\$ 32,298	\$ 38,398	\$ 43,798

Arctic Canadian Diamond Company Ltd. and Burgundy Diamonds (Canada) Limited

Second Cash Flow Statement

For the 27-week period ending November 6, 2026

Week Ending (CAD in thousands)	Phase 2 Completed >>										
	Week 18 4-Sep-26 Forecast	Week 19 11-Sep-26 Forecast	Week 20 18-Sep-26 Forecast	Week 21 25-Sep-26 Forecast	Week 22 2-Oct-26 Forecast	Week 23 9-Oct-26 Forecast	Week 24 16-Oct-26 Forecast	Week 25 23-Oct-26 Forecast	Week 26 30-Oct-26 Forecast	Week 27 6-Nov-26 Forecast	Week 1-27 6-Nov-26 Total
Operating Receipts											
Diamond Sales	[1]	\$ -	\$ -	\$ 13,155	\$ 8,770	\$ -	\$ 7,131	\$ 4,754	\$ -	\$ -	\$ 77,054
GST Refunds		-	-	-	327	-	-	327	-	-	2,259
Total Operating Receipts		-	-	13,155	9,097	-	7,131	4,754	327	-	79,313
Operating Disbursements											
Payroll and Benefits	[2]	(1,573)	(1,380)	-	(1,573)	(1,380)	(1,573)	(1,380)	(1,573)	(1,380)	(39,317)
Procon (Labour & Equipment)	[3]	(598)	(598)	(598)	(598)	(598)	(598)	(598)	(598)	(598)	(16,157)
Flights		(70)	(70)	(70)	(70)	(70)	(70)	(70)	(70)	(70)	(2,300)
Freight and Transportation	[4]	(95)	(95)	(95)	(95)	(95)	(95)	(95)	(95)	(95)	(2,565)
Site Services and Consumables	[5]	(120)	(120)	(120)	(120)	(120)	(120)	(120)	(120)	(120)	(3,240)
Repair and Maintenance - Equipment	[6]	(700)	(700)	(700)	(700)	(700)	(700)	(700)	(700)	(700)	(18,900)
Labour (other than Procon)		(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(810)
Explosives		(57)	(57)	(57)	(57)	(57)	(57)	(57)	(57)	(57)	(1,539)
Fire Suppression		-	-	-	(70)	-	-	(70)	-	-	(420)
Repair and Maintenance - Vehicles		-	(85)	-	-	-	(85)	-	-	(85)	(595)
Insurance and Banking		-	(406)	-	-	-	(406)	-	-	-	(2,472)
Utilities		(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(1,350)
Software		(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(1,350)
Health & Safety		(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(1,350)
GNWT Mineral Leases		-	-	-	-	-	-	-	-	-	(903)
Selling and Distribution		-	-	-	-	(217)	-	-	-	-	(762)
Other Professional Fees		(145)	-	-	-	-	-	-	-	-	(245)
Other Operating Expenses	[7]	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(150)	(8,950)
Contingency	[8]	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(6,950)
Total Operating Disbursements		(4,088)	(4,241)	(2,370)	(4,013)	(3,750)	(4,245)	(4,156)	(4,013)	(3,750)	(110,175)
Net Change in Cash from Operations		(4,088)	(4,241)	10,785	5,083	(3,750)	2,885	598	(3,687)	(3,750)	(30,861)
Non-Operating Receipts and Disbursements											
Capex	[9]	(700)	(900)	(453)	(100)	(50)	-	-	-	-	(19,443)
Capex - Fox Underground	[10]	(1,708)	(855)	(25)	(150)	(1,255)	(105)	(25)	-	(1,251)	(7,666)
Restructuring Professional Fees	[11]	(55)	-	(600)	-	-	-	(600)	-	-	(3,805)
Private Royalties		(12)	-	-	-	(12)	-	-	-	(12)	(47)
Others	[12]	-	(700)	-	-	-	(700)	-	-	-	(9,100)
Net Change in Cash from Non-Operating Activities		(2,475)	(2,455)	(1,078)	(250)	(1,316)	(105)	(1,325)	-	-	(40,060)
Financing											
Interim Financing	[13]	6,500	6,700	-	-	-	-	-	-	1,100	57,000
Net Change in Cash from Financing		6,500	6,700	-	-	-	-	-	-	1,100	57,000
Net Change in Cash		(63)	4	9,707	4,833	(5,067)	2,780	(727)	(3,687)	(4,041)	(13,922)
Opening Cash		1,086	1,023	1,027	10,734	15,567	10,500	13,281	12,553	8,866	14,997
Ending Cash		\$ 1,023	\$ 1,027	\$ 10,734	\$ 15,567	\$ 10,500	\$ 13,281	\$ 12,553	\$ 8,866	\$ 5,116	\$ 1,075
Opening Interim Financing Balance		43,798	50,777	57,477	57,477	57,477	58,098	58,098	58,098	58,744	-
Fees		-	-	-	-	-	-	-	-	-	900
Advances		6,500	6,700	-	-	-	-	-	-	1,100	57,000
Interest Applied to Interim Financing		479	-	-	-	621	-	-	-	646	1,944
Ending Interim Financing Balance		\$ 50,777	\$ 57,477	\$ 57,477	\$ 57,477	\$ 58,098	\$ 58,098	\$ 58,098	\$ 58,098	\$ 58,744	\$ 59,844

Management has prepared this Cash Flow Statement solely for the purposes of determining the liquidity requirements of Arctic Canadian Diamond Company Ltd. and Burgundy Diamonds (Canada) Limited during the CCAA Proceedings. The Cash Flow Statement is based on the probable and hypothetical assumptions detailed below. Actual results will likely vary from performance projected and such variations may be material.

Notes:

- [1] Diamond sales reflect the proceeds resulting from ongoing production.
- [2] Payroll includes payroll and source deductions for corporate employees and workers at the Ekati Mine.
- [3] Procon provides contracted miners and supplies certain equipment for underground mining.
- [4] Freight and Transportation primarily relates to the shipment of supplies to the mine site.
- [5] Site services and consumables include general operational service costs as well as materials used in mining and processing.
- [6] Repair and maintenance costs relate to scheduled servicing of equipment and vehicles to keep the mining fleet operational along with a contingency for unforeseen urgent repairs.
- [7] Other operating expenses capture the remaining site level costs necessary to support mining operations.
- [8] Contingency relates to unforeseen expenses and disbursements during the CCAA Proceedings.
- [9] Capex relates primarily to the construction of the wash plant, with the majority of costs deferred beyond the Forecast Period. Capex also includes repair costs associated with the dual powered road trains used to haul ore and waste rock.
- [10] Capex - Fox Underground relates to development costs of the underground mine.
- [11] Restructuring Professional Fees represents retainers and fees of Company counsel, the Monitor, the Monitor's counsel, the Interim Lender's counsel and the Interim Lender's financial advisor during the CCAA Proceedings.
- [12] Others represents surety bond premium and IBA payments.
- [13] The Applicants' are forecasting to require interim financing of approximately \$59.8 million during the 27 week period ending November 6, 2026.



S E 2 6 3 2 5 5

No. _____
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE *COMPANIES' CREDITORS*
ARRANGEMENT ACT, R.S.C. 1985, C. C-36 AS AMENDED

AND

IN THE MATTER OF THE PLAN OF COMPROMISE OR ARRANGEMENT
OF ARCTIC CANADIAN DIAMOND COMPANY LTD., AND BURGUNDY
DIAMONDS (CANADA) LIMITED

PETITIONERS

INITIAL ORDER

BEFORE THE HONOURABLE JUSTICE P. WALKER)
May 1, 2026)

ON THE APPLICATION of the Petitioners coming on for hearing at Vancouver, British Columbia, on the 1st day of May, 2026 (the "**Order Date**"); AND ON HEARING Peter L. Rubin, Peter Bychawski and Encina Roh, counsel for the Petitioners and those other counsel listed on **Schedule "A"** hereto; AND UPON READING the material filed, including the First Affidavit of Brent Mierau sworn April 30, 2026 and the consent of FTI Consulting Canada Inc. ("**FTI**") to act as Monitor; AND pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36 as amended (the "**CCAA**"), the British Columbia Supreme Court Civil Rules and the inherent jurisdiction of this Honourable Court;

THIS COURT ORDERS AND DECLARES THAT:

JURISDICTION

1. Each of the Petitioners is a company to which the CCAA applies.

SUBSEQUENT HEARING DATE

2. The hearing of the Petitioners' application for an extension of the Stay Period (as defined in paragraph 14 of this Order) and for any ancillary relief shall be held at the Courthouse at 800 Smithe Street, Vancouver, British Columbia at 10:00 a.m., on the 11th day of May, 2026 or such other date as this Court may order.

PLAN OF ARRANGEMENT

3. The Petitioners shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "Plan").

POSSESSION OF PROPERTY AND OPERATIONS

4. Subject to this Order and any further Order of this Court, the Petitioners shall remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"), and continue to carry on their business (the "**Business**") in the ordinary course and in a manner consistent with the preservation of the Business and the Property. The Petitioners shall be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively, "**Assistants**") currently retained or employed by them, with liberty to retain such further Assistants as the Petitioners deem reasonably necessary or desirable in the ordinary course of business or for carrying out the terms of this Order.

5. The Petitioners shall be entitled, but not required, to pay the following expenses whether incurred prior to, on, or after the Order Date:

- (a) all outstanding wages, salaries, employee and pension benefits (including long and short term disability payments), vacation pay and expenses (but excluding severance pay) payable before or after the Order Date, in each case incurred in the ordinary course of business, consistent with the relevant compensation policies and arrangements existing at the time incurred, or with the consent of the Monitor (collectively "**Wages**");

- (b) the fees and disbursements of any Assistants retained or employed by the Petitioners which are related to the Petitioners' restructuring, at their standard rates and charges, including payment of the fees and disbursements of legal counsel retained by the Petitioners, whenever and wherever incurred, in respect of:
 - (i) these proceedings or any other similar proceedings in other jurisdictions in which the Petitioners or any subsidiaries or affiliated companies of the Petitioners are domiciled;
 - (ii) any litigation in which the Petitioners are named as a party or is otherwise involved, whether commenced before or after the Order Date; and
 - (iii) any related corporate matters;
- (c) with the consent of the Monitor, amounts owing for goods or services actually supplied to the Petitioners prior to the date of this Order by third party suppliers up to a maximum amount of \$1,000,000, if, in the opinion of the Monitor:
 - (i) the supplier or service provider is critical to the Business and ongoing operations of the Petitioners and the payment is required to ensure ongoing supply;
 - (ii) making such payment will preserve, protect or enhance the value of the Property or the Business; or
 - (iii) making such payment is required to address any environmental concerns; and
- (d) with the consent of the Monitor, amounts owing by the Petitioners under any impact benefit agreements in place with respect to the Business or the Property.

6. Except as otherwise provided herein, the Petitioners shall be entitled to pay all expenses reasonably incurred by the Petitioners in carrying on the Business in the ordinary course following the Order Date, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably incurred and which are necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors' and officers' insurance), maintenance and security services, provided that any capital expenditure exceeding \$250,000 shall be approved by the Monitor;
- (b) all obligations incurred by the Petitioners after the Order Date, including without limitation, with respect to goods and services actually supplied to the Petitioners following the Order Date (including those under purchase orders outstanding at the Order Date but excluding any interest on the Petitioners' obligations incurred prior to the Order Date); and
- (c) fees and disbursements of the kind referred to in paragraph 5(b) which may be incurred after the Order Date.

7. The Petitioners are authorized to remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from Wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, and (iii) income taxes or any such claims which are to be paid pursuant to Section 6(3) of the CCAA;
- (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Petitioners in connection with the sale of goods and services by the Petitioners, but only where such Sales Taxes accrue or are collected after the Order Date, or where such Sales Taxes accrued or were collected prior to the Order Date but not required to be remitted until on or after the Order Date; and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal property taxes, municipal business taxes or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors.

8. Until such time as a real property lease is disclaimed in accordance with the CCAA, the Petitioners shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable as rent to the landlord under the lease) based on the terms of existing lease arrangements or as otherwise may be negotiated between the Petitioners and the landlord from time to time ("**Rent**"), for the period commencing from and including the Order Date, twice-monthly in equal payments on the first and fifteenth day of the month in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including Order Date shall also be paid.

9. Except as specifically permitted herein, the Petitioners are hereby directed, until further Order of this Court:

- (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Petitioners to any of their creditors as of the Order Date except as authorized by this Order;
- (b) to make no payments in respect of any financing leases which create security interests;
- (c) to grant no security interests, trust, mortgages, liens, charges or encumbrances upon or in respect of any of the Property, nor become guarantors or sureties, nor otherwise become liable in any manner with respect to any other person or entity except as authorized by this Order;
- (d) to not grant credit except in the ordinary course of the Business, and then only to their customers for goods and services actually supplied to those customers, provided such customers agree that there is no right of set-off in respect of amounts owing for such goods and services against any debt owing by the Petitioners to such customers as of the Order Date; and
- (e) to not incur liabilities except in the ordinary course of Business.

RESTRUCTURING

10. Subject to such requirements as are imposed by the CCAA, the Petitioners shall have the right to:

- (a) permanently or temporarily cease, downsize or shut down all or any part of their Business or operations and commence marketing efforts in respect of any of their redundant or non-material assets and to dispose of redundant or non-material assets not exceeding \$500,000 in any one transaction or \$2,000,000 in the aggregate;
- (b) terminate the employment of such of their employees or temporarily lay off such of their employees as they deem appropriate; and
- (c) pursue all avenues of refinancing for their Business or Property, in whole or part;

all of the foregoing to permit the Petitioners to proceed with an orderly restructuring of the Business (the "**Restructuring**").

11. The Petitioners shall provide each of the relevant landlords with notice of the Petitioners' intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Petitioners' entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors who claim a security interest in the fixtures, such landlord and the Petitioners, or by further Order of this Court upon application by the Petitioners, the landlord or the applicable secured creditors on at least two (2) clear days' notice to the other parties. If the Petitioners disclaim the lease governing such leased premises in accordance with Section 32 of the CCAA, they shall not be required to pay Rent under such lease pending resolution of any dispute concerning such fixtures (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the Petitioners' claim to the fixtures in dispute.

12. If a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then: (a) during the period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours on giving the Petitioners and the Monitor 24 hours' prior written notice; and (b) at the effective time of the disclaimer, the landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims the landlord may have against the Petitioners, or any other rights the landlord might have, in respect of such lease or leased premises and the landlord shall be entitled to notify the Petitioners of the basis on which it is taking possession and gain possession of and

re-lease such leased premises to any third party or parties on such terms as the landlord considers advisable, provided that nothing herein shall relieve the landlord of its obligation to mitigate any damages claimed in connection therewith.

13. Pursuant to Section 7(3)(c) of the *Personal Information Protection and Electronics Documents Act*, S.C. 2000, c. 5 and Section 18(1)(o) of the *Personal Information Protection Act*, S.B.C. 2003, c. 63, and any regulations promulgated under authority of either Act or any equivalent enactments of the Northwest Territories, as applicable (the “**Relevant Enactment**”), the Petitioners, in the course of these proceedings, is permitted to, and hereby shall, disclose personal information of identifiable individuals in their possession or control to stakeholders, their advisors, prospective investors, financiers, buyers or strategic partners (collectively, “**Third Parties**”), but only to the extent desirable or required to negotiate and complete the Restructuring or to prepare and implement the Plan or transactions for that purpose; provided that the Third Parties to whom such personal information is disclosed enter into confidentiality agreements with the Petitioners binding them in the same manner and to the same extent with respect to the collection, use and disclosure of that information as if they were an organization as defined under the Relevant Enactment, and limiting the use of such information to the extent desirable or required to negotiate or complete the Restructuring or to prepare and implement the Plan or transactions for that purpose, and attorning to the jurisdiction of this Court for the purposes of that agreement. Upon the completion of the use of personal information for the limited purposes set out herein, the Third Parties shall return the personal information to the Petitioners or destroy it. If the Third Parties acquire personal information as part of the Restructuring or the preparation and implementation of the Plan or transactions in furtherance thereof, such Third Parties may, subject to this paragraph and any Relevant Enactment, continue to use the personal information in a manner which is in all respects identical to the prior use thereof by the Petitioners.

STAY OF PROCEEDINGS, RIGHTS AND REMEDIES

14. Until and including May 11, 2026, or such later date as this Court may order (the “**Stay Period**”), no action, suit or proceeding in any court or tribunal (each, a “**Proceeding**”) against or in respect of the Petitioners or the Monitor, or affecting the Business or the Property, shall be commenced or continued except with the written consent of the Petitioners and the Monitor or with leave of this Court, and any and all Proceedings currently under way against or in respect

of the Petitioners or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

15. During the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being “**Persons**” and each being a “**Person**”) against or in respect of the Petitioners or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Petitioners and the Monitor or leave of this Court.

16. Nothing in this Order, including paragraphs 14 and 15, shall: (i) empower the Petitioners to carry on any business which the Petitioners are not lawfully entitled to carry on; (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA; (iii) prevent the filing of any registration to preserve or perfect a mortgage, charge or security interest (subject to the provisions of Section 39 of the CCAA relating to the priority of statutory Crown securities); or (iv) prevent the registration or filing of a lien or claim for lien or the commencement of a Proceeding to protect lien or other rights that might otherwise be barred or extinguished by the effluxion of time, provided that no further step shall be taken in respect of such lien, claim for lien or Proceeding except for service of the initiating documentation on the Petitioners.

STAY IN RESPECT OF THE NON-APPLICANT STAY PARTY

17. During the Stay Period, no Person shall (a) commence any Proceeding or enforcement process, (b) terminate, repudiate, make any demand, accelerate, alter, amend, declare in default, exercise any options, rights or remedies, or (c) discontinue, fail to honour, alter, interfere with or cease to perform any obligation, pursuant to or in respect of any agreement, lease, sublease, license or permit with respect to Burgundy Diamond Mines Ltd. (the “**Non-Applicant Stay Party**”) as a party, borrower, principal obligor, indemnitor, or guarantor, by reason of:

- (a) any of the Petitioners being insolvent or having made an application to this Court under the CCAA or the granting of this Order;
- (b) any failure of the Petitioners to meet their financial obligations;
- (c) any of the Petitioners being party to these proceedings or taking any steps related thereto;

- (d) the Non-Applicant Stay Party being insolvent or having become subject to insolvency proceedings;
- (e) the stay granted pursuant to this paragraph 17; and
- (f) any default or cross-default arising from the matters set out in foregoing subparagraphs (a) to (e),

except with the written consent of the Petitioners and the Monitor, or with leave of this Court.

NO INTERFERENCE WITH RIGHTS

18. During the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Petitioners, except with the written consent of the Petitioners and the Monitor or leave of this Court.

CONTINUATION OF SERVICES

19. During the Stay Period, all Persons having oral or written agreements with the Petitioners or mandates under an enactment for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation, services, utility or other services to the Business or the Petitioners, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with, or terminating the supply of such goods or services as may be required by the Petitioners, and that the Petitioners shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the Order Date are paid by the Petitioners in accordance with normal payment practices of the Petitioners or such other practices as may be agreed upon by the supplier or service provider and the Petitioners and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

20. Notwithstanding any provision in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the Order Date, nor shall any Person be under any obligation to advance or re-advance any monies or otherwise extend any credit to the Petitioners on or after the Order Date. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

21. During the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against the directors or officers of the Petitioners with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Petitioners whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Petitioners, if one is filed, is sanctioned by this Court or is refused by the creditors of the Petitioners or this Court. Nothing in this Order, including in this paragraph, shall prevent the commencement of a Proceeding to preserve any claim against a director or officer of the Petitioners that might otherwise be barred or extinguished by the effluxion of time, provided that no further step shall be taken in respect of such Proceeding except for service of the initiating documentation on the applicable director or officer.

DIRECTORS AND OFFICERS INDEMNIFICATION AND CHARGE

22. The Petitioners shall indemnify their directors and officers against obligations and liabilities that they may incur as directors or officers of the Petitioners after the commencement of the within proceedings, except to the extent that, with respect to any director or officer, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

23. The directors and officers of the Petitioners shall be entitled to the benefit of and are hereby granted a charge (the "**D&O Charge**") on the Property, which charge shall not exceed an aggregate amount of \$2,750,000, as security for the indemnity provided in paragraph 22 of this Order. The D&O Charge shall have the priority set out in paragraphs 34 and 36 herein.

24. Notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the D&O Charge, and (b) the Petitioners' directors and officers shall only be entitled to the benefit of the D&O Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 22 of this Order.

APPOINTMENT OF MONITOR

25. FTI is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Petitioners with the powers and obligations set out in the CCAA or set forth herein, and that the Petitioners and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Petitioners pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

26. The Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Petitioners' receipts and disbursements;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) advise the Petitioners in their preparation of the Petitioners' cash flow statements;
- (d) advise the Petitioners in their development of the Plan and any amendments to the Plan;
- (e) assist the Petitioners, to the extent required by the Petitioners, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (f) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of

the Petitioners, to the extent that is necessary to adequately assess the Petitioners' business and financial affairs or to perform its duties arising under this Order;

- (g) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (h) perform such other duties as are required by this Order or by this Court from time to time.

27. The Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, or by inadvertence in relation to the due exercise of powers or performance of duties under this Order, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof, and nothing in this Order shall be construed as resulting in the Monitor being an employer or a successor employer, within the meaning of any statute, regulation or rule of law or equity, for any purpose whatsoever.

28. Nothing herein contained shall require or allow the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Fisheries Act*, the *British Columbia Environmental Management Act*, the *British Columbia Fish Protection Act* and regulations thereunder, or any equivalent enactments of the Northwest Territories (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. For greater certainty, the Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

29. The Monitor shall provide any creditor of the Petitioners with information provided by the Petitioners in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Petitioners is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Petitioners may agree.

30. In addition to the rights and protections afforded to the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or willful misconduct on its part. Nothing in this Order shall derogate from the rights and protections afforded to the Monitor by the CCAA or any applicable legislation.

ADMINISTRATION CHARGE

31. The Monitor, counsel to the Monitor, and counsel to the Petitioners shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Petitioners as part of the cost of these proceedings. The Petitioners are hereby authorized and directed to pay the accounts of the Monitor, counsel to the Monitor and counsel to the Petitioners on a periodic basis and, in addition, the Petitioners are hereby authorized to pay to the Monitor, counsel to the Monitor, and counsel to the Petitioners, retainers in the amounts of \$50,000, \$50,000, and \$100,000, respectively, to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

32. The Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the British Columbia Supreme Court who may determine the manner in which such accounts are to be passed, including by hearing the matter on a summary basis or referring the matter to a Registrar of this Court.

33. The Monitor, counsel to the Monitor, and counsel to the Petitioners shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$500,000, as security for their respective fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order which are related to the

Petitioners' restructuring. The Administration Charge shall have the priority set out in paragraphs 34 and 36 hereof.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

34. The priorities of the Administration Charge and the D&O Charge, as among them, shall be as follows:

First – Administration Charge (to the maximum amount of \$500,000); and

Second – D&O Charge (to the maximum amount of \$2,750,000).

35. Any security documentation evidencing, or the filing, registration or perfection of, the Administration Charge and the D&O Charge (collectively, the “**Charges**”) shall not be required, and that the Charges shall be effective as against the Property and shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered or perfected subsequent to the Charges coming into existence, notwithstanding any failure to file, register or perfect any such Charges.

36. Each of the Charges shall constitute a mortgage, security interest, assignment by way of security and charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, mortgages, charges and encumbrances and claims of secured creditors, statutory or otherwise (collectively, “**Encumbrances**”), in favour of any Person, save and except for (a) those claims contemplated by section 11.8(8) of the CCAA; and (b) any Person who is a “secured creditor” as defined in the CCAA that has not been served with the Petition for this Order.

37. The Petitioners shall be entitled, on a subsequent application on notice to those Persons likely to be affected thereby, to seek priority of the Charges ahead of any Encumbrances over which the Charges have not obtained priority.

38. Except as otherwise expressly provided herein, or as may be approved by this Court, the Petitioners shall not grant or suffer to exist any Encumbrances over any Property that rank in priority to, or *pari passu* with the Charges, unless the Petitioners obtain the prior written consent of the Monitor and the beneficiaries of the Administration Charge and the D&O Charge.

39. The Administration Charge and the D&O Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, mortgage, security agreement, debenture, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the Petitioners; and notwithstanding any provision to the contrary in any Agreement:

- (a) the creation of the Charges shall not create or be deemed to constitute a breach by the Petitioners of any Agreement to which they are a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges; and
- (c) the payments made by the Petitioners pursuant to this Order and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

40. THIS COURT ORDERS that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Petitioners' interest in such real property leases.

SERVICE AND NOTICE

41. The Monitor shall (i) without delay, publish in *The Northern Miner* a notice containing the information prescribed under the CCAA, (ii) within five days after Order Date, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Petitioners of more than \$1000, and (C) prepare a list showing the names and addresses of those creditors and the

estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

42. The Petitioners and the Monitor are at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic transmission (including by e-mail) to the Petitioners' creditors or other interested parties at their respective addresses as last shown on the records of the Petitioners and that any such service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

43. Any Person that wishes to be served with any application and other materials in these proceedings must deliver to the Monitor by way of ordinary mail, courier, personal delivery or electronic transmission a request to be added to a service list (the "**Service List**") to be maintained by the Monitor. The Monitor shall post and maintain an up to date form of the Service List on its website at: <https://cfcanada.fticonsulting.com/ACDC/> (the "**Website**").

44. Any party to these proceedings may serve any court materials in these proceedings by emailing a PDF or other electronic copy of such materials to counsels' email addresses as recorded on the Service List from time to time, and the Monitor shall post a copy of all prescribed materials on its Website.

45. Notwithstanding paragraphs 42 and 44 of this Order, service of the Petition, the Notice of Hearing of Petition, any affidavits filed in support of the Petition and this Order shall be made on the Federal and British Columbia Crowns in accordance with the *Crown Liability and Proceedings Act*, R.S.C. 1985, c. C-50, and regulations thereto, in respect of the Federal Crown, and the *Crown Proceeding Act*, R.S.B.C. 1996, c. 89, in respect of the British Columbia Crown.

GENERAL

46. The Petitioners or the Monitor may from time to time apply to this Court for directions in the discharge of their powers and duties hereunder.

47. Nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Petitioners, the Business or the Property.

48. THIS COURT REQUESTS the aid and recognition of other Canadian and foreign Courts, tribunal, regulatory or administrative bodies, including any Court or administrative tribunal of any federal or State Court or administrative body in the United States of America, to act in aid of and to be complementary to this Court in carrying out the terms of this Order where required. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Petitioners and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Petitioners and the Monitor and their respective agents in carrying out the terms of this Order.

49. Each of the Petitioners and the Monitor be at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order and the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada, including acting as a foreign representative of the Petitioners to apply to the United States Bankruptcy Court for relief pursuant to Chapter 15 of the *United States Bankruptcy Code*, 11 U.S.C. §§ 101-1330, as amended.

50. The Petitioners may (subject to the provisions of the CCAA and the BIA) at any time file a voluntary assignment in bankruptcy or a proposal pursuant to the commercial reorganization provisions of the BIA if and when the Petitioners determine that such a filing is appropriate.

51. The Petitioners are hereby at liberty to apply for such further interim or interlocutory relief as they deem advisable within the time limited for Persons to file and serve Responses to the Petition.

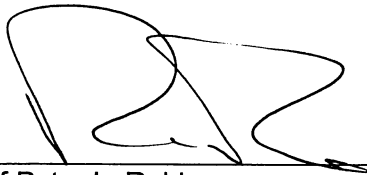
52. Leave is hereby granted to hear any application in these proceedings on two (2) clear days' notice after delivery to all parties on the Service List of such Notice of Application and all affidavits in support, subject to the Court in its discretion further abridging or extending the time for service.

53. Any interested party (other than the Petitioners and the Monitor) that wishes to amend or vary this Order shall bring a motion before this Court on May 11, 2026 (the "**Comeback Hearing**"), and any such interested party shall give not less than two (2) business days' notice to the Service List and any other Person(s) likely to be affected by the relief sought by such party in advance of the Comeback Hearing.

54. Endorsement of this Order by counsel appearing on this application, other than counsel for the Petitioners, is hereby dispensed with.

55. This Order and all of its provisions are effective as of 12:01 a.m. local Vancouver time on the Order Date.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:



Signature of Peter L. Rubin
Lawyer to the Petitioners

BY THE COURT



REGISTRAR



Schedule "A"**List of Counsel**

COUNSEL	PARTY
David Bish	Canada Enterprise Emergency Funding Corporation
Marc Wasserman, Martino Culver, and Stephen Fulford (ARTICLE STUDENT)	Polen Capital Credit, LLC, Brigade Capital Management, LP, and Western Asset Management Company, LLC
Christian Garton and Mary Buttery	Government of the Northwest Territories
Kevin Barr	Zurich Insurance Company Ltd. (Canadian Branch), Aviva Insurance Company of Canada, and Argonaut Insurance Company
Lisa Hiebert	FTI Consulting Canada Inc.



No ~~S~~263255
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA
IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, C. C-36 AS AMENDED

AND

IN THE MATTER OF THE PLAN OF COMPROMISE OR ARRANGEMENT
OF ARCTIC CANADIAN DIAMOND COMPANY LTD., AND BURGUNDY
DIAMONDS (CANADA) LIMITED

PETITIONERS

AMENDED AND RESTATED INITIAL ORDER

BEFORE THE HONOURABLE JUSTICE P.)
WALKER)

May 11, 2026

ON THE APPLICATION of the Petitioners coming on for hearing at Vancouver, British Columbia, on the 11th day of May, 2026 (the "**Order Date**"); AND ON HEARING Peter Bychawski, Claire Hildebrand, and Encina Roh, counsel for the Petitioners and those other counsel listed on **Schedule "A"** hereto; AND UPON READING the material filed, including the Second Affidavit of Brent Mierau affirmed May 8, 2026, the Second Affidavit of Jennifer Alambre affirmed May 8, 2026 (the "**Alambre Affidavit #2**"), and the First Report of FTI Consulting Canada Inc. ("**FTI**") (in such capacity, the "**Monitor**"), dated May 8, 2026; AND UPON BEING ADVISED that the secured creditors who are likely to be affected by the Charges referenced herein were given notice; AND pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36 as amended (the "**CCAA**"), the British Columbia Supreme Court Civil Rules and the inherent jurisdiction of this Honourable Court;

THIS COURT ORDERS AND DECLARES THAT:

1. The time for service of the Notice of Application for this Order is hereby abridged and this application is properly returnable today.

JURISDICTION

2. Each of the Petitioners is a company to which the CCAA applies.

PLAN OF ARRANGEMENT

3. The Petitioners shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "**Plan**").

POSSESSION OF PROPERTY AND OPERATIONS

4. Subject to this Order and any further Order of this Court, the Petitioners shall remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"), and continue to carry on their business (the "**Business**") in the ordinary course and in a manner consistent with the preservation of the Business and the Property. The Petitioners shall be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively, "**Assistants**") currently retained or employed by them, with liberty to retain such further Assistants as the Petitioners deem reasonably necessary or desirable in the ordinary course of business or for carrying out the terms of this Order.

5. The Petitioners shall be entitled, but not required, to pay the following expenses whether incurred prior to, on, or after the Order Date:

- (a) all outstanding wages, salaries, employee and pension benefits (including long and short term disability payments), vacation pay and expenses (but excluding severance pay) payable before or after the Order Date, in each case incurred in the ordinary course of business, consistent with the relevant compensation policies and arrangements existing at the time incurred, or with the consent of the Monitor (collectively "**Wages**");
- (b) the fees and disbursements of any Assistants retained or employed by the Petitioners which are related to the Petitioners' restructuring, at their standard rates and charges, including payment of the fees and disbursements of legal

counsel retained by the Petitioners, whenever and wherever incurred, in respect of:

- (i) these proceedings or any other similar proceedings in other jurisdictions in which the Petitioners or any subsidiaries or affiliated companies of the Petitioners are domiciled;
 - (ii) any litigation in which the Petitioners are named as a party or is otherwise involved, whether commenced before or after the Order Date; and
 - (iii) any related corporate matters;
- (c) with the consent of the Monitor, amounts owing for goods or services actually supplied to the Petitioners prior to the date of this Order by third party suppliers up to a maximum amount of \$1,000,000, if, in the opinion of the Monitor:
- (i) the supplier or service provider is critical to the Business and ongoing operations of the Petitioners and the payment is required to ensure ongoing supply;
 - (ii) making such payment will preserve, protect or enhance the value of the Property or the Business; or
 - (iii) making such payment is required to address any environmental concerns; and
- (d) with the consent of the Monitor, amounts owing by the Petitioners under any impact benefit agreements in place with respect to the Business or the Property.

6. Except as otherwise provided herein, the Petitioners shall be entitled to pay all expenses reasonably incurred by the Petitioners in carrying on the Business in the ordinary course following the Order Date, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably incurred and which are necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors' and officers'

insurance), maintenance and security services, provided that any capital expenditure exceeding \$250,000 shall be approved by the Monitor;

- (b) all obligations incurred by the Petitioners after the Order Date, including without limitation, with respect to goods and services actually supplied to the Petitioners following the Order Date (including those under purchase orders outstanding at the Order Date but excluding any interest on the Petitioners' obligations incurred prior to the Order Date); and
- (c) fees and disbursements of the kind referred to in paragraph 5(b) which may be incurred after the Order Date.

7. The Petitioners are authorized to remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from Wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, and (iii) income taxes or any such claims which are to be paid pursuant to Section 6(3) of the CCAA;
- (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Petitioners in connection with the sale of goods and services by the Petitioners, but only where such Sales Taxes accrue or are collected after the Order Date, or where such Sales Taxes accrued or were collected prior to the Order Date but not required to be remitted until on or after the Order Date; and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal property taxes, municipal business taxes or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors.

8. Until such time as a real property lease is disclaimed in accordance with the CCAA, the Petitioners shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable as rent to the landlord under the lease) based on the terms of

existing lease arrangements or as otherwise may be negotiated between the Petitioners and the landlord from time to time ("**Rent**"), for the period commencing from and including the Order Date, twice-monthly in equal payments on the first and fifteenth day of the month in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including Order Date shall also be paid.

9. Except as specifically permitted herein, the Petitioners are hereby directed, until further Order of this Court:

- (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Petitioners to any of their creditors as of the Order Date except as authorized by this Order;
- (b) to make no payments in respect of any financing leases which create security interests;
- (c) to grant no security interests, trust, mortgages, liens, charges or encumbrances upon or in respect of any of the Property, nor become guarantors or sureties, nor otherwise become liable in any manner with respect to any other person or entity except as authorized by this Order;
- (d) to not grant credit except in the ordinary course of the Business, and then only to their customers for goods and services actually supplied to those customers, provided such customers agree that there is no right of set-off in respect of amounts owing for such goods and services against any debt owing by the Petitioners to such customers as of the Order Date; and
- (e) to not incur liabilities except in the ordinary course of Business.

RESTRUCTURING

10. Subject to such requirements as are imposed by the CCAA, the Petitioners shall have the right to:

- (a) permanently or temporarily cease, downsize or shut down all or any part of their Business or operations and commence marketing efforts in respect of any of their

redundant or non-material assets and to dispose of redundant or non-material assets not exceeding \$500,000 in any one transaction or \$2,000,000 in the aggregate;

- (b) terminate the employment of such of their employees or temporarily lay off such of their employees as they deem appropriate; and
- (c) pursue all avenues of refinancing for their Business or Property, in whole or part;

all of the foregoing to permit the Petitioners to proceed with an orderly restructuring of the Business (the "**Restructuring**").

11. The Petitioners shall provide each of the relevant landlords with notice of the Petitioners' intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Petitioners' entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors who claim a security interest in the fixtures, such landlord and the Petitioners, or by further Order of this Court upon application by the Petitioners, the landlord or the applicable secured creditors on at least two (2) clear days' notice to the other parties. If the Petitioners disclaim the lease governing such leased premises in accordance with Section 32 of the CCAA, they shall not be required to pay Rent under such lease pending resolution of any dispute concerning such fixtures (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the Petitioners' claim to the fixtures in dispute.

12. If a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then: (a) during the period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours on giving the Petitioners and the Monitor 24 hours' prior written notice; and (b) at the effective time of the disclaimer, the landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims the landlord may have against the Petitioners, or any other rights the landlord might have, in respect of such lease or leased premises and the landlord shall be entitled to notify the Petitioners of the basis on which it is taking possession and gain possession of and re-lease such leased premises to any third party or parties on such terms as the landlord

considers advisable, provided that nothing herein shall relieve the landlord of its obligation to mitigate any damages claimed in connection therewith.

13. Pursuant to Section 7(3)(c) of the *Personal Information Protection and Electronics Documents Act*, S.C. 2000, c. 5 and Section 18(1)(o) of the *Personal Information Protection Act*, S.B.C. 2003, c. 63, and any regulations promulgated under authority of either Act or any equivalent enactments of the Northwest Territories, as applicable (the “**Relevant Enactment**”), the Petitioners, in the course of these proceedings, are permitted to, and hereby shall, disclose personal information of identifiable individuals in their possession or control to stakeholders, their advisors, prospective investors, financiers, buyers or strategic partners (collectively, “**Third Parties**”), but only to the extent desirable or required to negotiate and complete the Restructuring or to prepare and implement the Plan or transactions for that purpose; provided that the Third Parties to whom such personal information is disclosed enter into confidentiality agreements with the Petitioners binding them in the same manner and to the same extent with respect to the collection, use and disclosure of that information as if they were an organization as defined under the Relevant Enactment, and limiting the use of such information to the extent desirable or required to negotiate or complete the Restructuring or to prepare and implement the Plan or transactions for that purpose, and attorning to the jurisdiction of this Court for the purposes of that agreement. Upon the completion of the use of personal information for the limited purposes set out herein, the Third Parties shall return the personal information to the Petitioners or destroy it. If the Third Parties acquire personal information as part of the Restructuring or the preparation and implementation of the Plan or transactions in furtherance thereof, such Third Parties may, subject to this paragraph and any Relevant Enactment, continue to use the personal information in a manner which is in all respects identical to the prior use thereof by the Petitioners.

STAY OF PROCEEDINGS, RIGHTS AND REMEDIES

14. Until and including July 28, 2026 or such later date as this Court may order (the “**Stay Period**”), no action, suit or proceeding in any court or tribunal (each, a “**Proceeding**”) against or in respect of the Petitioners or the Monitor, or affecting the Business or the Property, shall be commenced or continued except with the written consent of the Petitioners and the Monitor or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Petitioners or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

15. During the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being “**Persons**” and each being a “**Person**”) against or in respect of the Petitioners or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Petitioners and the Monitor or leave of this Court.

16. Nothing in this Order, including paragraphs 14 and 15, shall: (i) empower the Petitioners to carry on any business which the Petitioners are not lawfully entitled to carry on; (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA; (iii) prevent the filing of any registration to preserve or perfect a mortgage, charge or security interest (subject to the provisions of Section 39 of the CCAA relating to the priority of statutory Crown securities); or (iv) prevent the registration or filing of a lien or claim for lien or the commencement of a Proceeding to protect lien or other rights that might otherwise be barred or extinguished by the effluxion of time, provided that no further step shall be taken in respect of such lien, claim for lien or Proceeding except for service of the initiating documentation on the Petitioners.

STAY IN RESPECT OF THE NON-APPLICANT STAY PARTY

17. During the Stay Period, no Person shall (a) commence any Proceeding or enforcement process, (b) terminate, repudiate, make any demand, accelerate, alter, amend, declare in default, exercise any options, rights or remedies, or (c) discontinue, fail to honour, alter, interfere with or cease to perform any obligation, pursuant to or in respect of any agreement, lease, sublease, license or permit with respect to Burgundy Diamond Mines Ltd. (the “**Non-Applicant Stay Party**”) as a party, borrower, principal obligor, indemnitor, or guarantor, by reason of:

- (a) any of the Petitioners being insolvent or having made an application to this Court under the CCAA or the granting of this Order;
- (b) any failure of the Petitioners to meet their financial obligations;
- (c) any of the Petitioners being party to these proceedings or taking any steps related thereto;
- (d) the Non-Applicant Stay Party being insolvent or having become subject to insolvency proceedings;

- (e) the stay granted pursuant to this paragraph 17; and
- (f) any default or cross-default arising from the matters set out in foregoing subparagraphs (a) to (e),

except with the written consent of the Petitioners and the Monitor, or with leave of this Court.

NO INTERFERENCE WITH RIGHTS

18. During the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Petitioners, except with the written consent of the Petitioners and the Monitor or leave of this Court.

CONTINUATION OF SERVICES

19. During the Stay Period, all Persons having oral or written agreements with the Petitioners or mandates under an enactment for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation, services, utility or other services to the Business or the Petitioners, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with, or terminating the supply of such goods or services as may be required by the Petitioners, and that the Petitioners shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the Order Date are paid by the Petitioners in accordance with normal payment practices of the Petitioners or such other practices as may be agreed upon by the supplier or service provider and the Petitioners and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

20. Notwithstanding any provision in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the Order Date, nor shall any Person, other than the Interim Lender where applicable, be under any obligation to advance or re-advance any monies or

otherwise extend any credit to the Petitioners on or after the Order Date. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

21. During the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against the directors or officers of the Petitioners with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Petitioners whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Petitioners, if one is filed, is sanctioned by this Court or is refused by the creditors of the Petitioners or this Court. Nothing in this Order, including in this paragraph, shall prevent the commencement of a Proceeding to preserve any claim against a director or officer of the Petitioners that might otherwise be barred or extinguished by the effluxion of time, provided that no further step shall be taken in respect of such Proceeding except for service of the initiating documentation on the applicable director or officer.

DIRECTORS AND OFFICERS INDEMNIFICATION AND CHARGE

22. The Petitioners shall indemnify their directors and officers against obligations and liabilities that they may incur as directors or officers of the Petitioners after the commencement of the within proceedings, except to the extent that, with respect to any director or officer, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

23. The directors and officers of the Petitioners shall be entitled to the benefit of and are hereby granted a charge (the "**D&O Charge**") on the Property, which charge shall not exceed an aggregate amount of \$5,000,000, as security for the indemnity provided in paragraph 22 of this Order. The D&O Charge shall have the priority set out in paragraphs ~~40~~ and 42 herein.

24. Notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the D&O Charge, and (b) the Petitioners' directors and officers shall only be entitled to the benefit of the D&O Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to

the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 22 of this Order.

APPOINTMENT OF MONITOR

25. FTI is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Petitioners with the powers and obligations set out in the CCAA or set forth herein, and that the Petitioners and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Petitioners pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

26. The Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Petitioners' receipts and disbursements;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) assist the Petitioners, to the extent required by the Petitioners, in their dissemination, to the Interim Lender (as hereinafter defined) and its counsel on a weekly basis of financial and other information as agreed to between the Petitioners and the Interim Lender which may be used in these proceedings including reporting on a basis to be agreed with the Interim Lender;
- (d) advise the Petitioners in their preparation of the Petitioners' cash flow statements and reporting required by the Interim Lender, which information shall be reviewed with the Monitor and delivered to the Interim Lender and its counsel on a periodic basis, but not less than weekly, or as otherwise agreed to by the Interim Lender;
- (e) advise the Petitioners in their development of the Plan and any amendments to the Plan;

- (f) assist the Petitioners, to the extent required by the Petitioners, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Petitioners, to the extent that is necessary to adequately assess the Petitioners' business and financial affairs or to perform its duties arising under this Order;
- (h) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (i) perform such other duties as are required by this Order or by this Court from time to time.

27. The Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, or by inadvertence in relation to the due exercise of powers or performance of duties under this Order, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof, and nothing in this Order shall be construed as resulting in the Monitor being an employer or a successor employer, within the meaning of any statute, regulation or rule of law or equity, for any purpose whatsoever.

28. Nothing herein contained shall require or allow the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Fisheries Act*, the *British Columbia Environmental Management Act*, the *British Columbia Fish Protection Act* and regulations thereunder, or any equivalent enactments of the Northwest Territories (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. For greater certainty, the Monitor shall not, as a result of

this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

29. The Monitor shall provide any creditor of the Petitioners with information provided by the Petitioners in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Petitioners is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Petitioners may agree.

30. In addition to the rights and protections afforded to the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or willful misconduct on its part. Nothing in this Order shall derogate from the rights and protections afforded to the Monitor by the CCAA or any applicable legislation.

ADMINISTRATION CHARGE

31. The Monitor, counsel to the Monitor, and counsel to the Petitioners shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Petitioners as part of the cost of these proceedings. The Petitioners are hereby authorized and directed to pay the accounts of the Monitor, counsel to the Monitor and counsel to the Petitioners on a periodic basis and, in addition, the Petitioners are hereby authorized to pay to the Monitor, counsel to the Monitor, and counsel to the Petitioners, retainers in the amounts of \$50,000, \$50,000, and \$100,000, respectively, to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

32. The Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the British Columbia Supreme Court who may determine the manner in which such accounts are to be passed, including by hearing the matter on a summary basis or referring the matter to a Registrar of this Court.

33. The Monitor, counsel to the Monitor, and counsel to the Petitioners shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$1,000,000, as security for their respective fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order which are related to the Petitioners' restructuring. The Administration Charge shall have the priority set out in paragraphs 40 and 42 hereof.

INTERIM FINANCING

34. The Petitioners are hereby authorized and empowered to obtain and borrow under a credit facility from Canada Enterprise Emergency Funding Corporation (the "**Interim Lender**") in order to finance the continuation of the Business and preservation of the Property, provided that borrowings under such credit facility shall not exceed \$60,000,000 unless permitted by further Order of this Court.

35. Such credit facility shall be on the terms and subject to the conditions set forth in the Interim Financing Term Sheet between the Petitioners and the Interim Lender dated as of May 8, 2026 (the "**Interim Financing Term Sheet**"), a copy of which is attached to the Alambre Affidavit #2.

36. The Petitioners are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the "**Definitive Documents**"), as are contemplated by the Interim Financing Term Sheet or as may be reasonably required by the Interim Lender pursuant to the terms thereof, and the Petitioners are hereby authorized and directed to pay and perform all of their indebtedness, interest, fees, liabilities and obligations to the Interim Lender under and pursuant to the Interim Financing Term Sheet and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

37. The Interim Lender shall be entitled to the benefit of and is hereby granted a charge (the "**Interim Lender's Charge**") on the Property. The Interim Lender's Charge shall not secure an obligation that exists before this Order is made. The Interim Lender's Charge shall have the priority set out in paragraphs 40 and 42 hereof.

38. Notwithstanding any other provision of this Order:

- (a) the Interim Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the Interim Lender's Charge or any of the Definitive Documents;
- (b) upon the occurrence of an event of default under any of the Definitive Documents or the Interim Lender's Charge, the Interim Lender, upon five (5) business days notice to the Petitioners and the Monitor, may exercise any and all of its rights and remedies against the Petitioners or the Property under or pursuant to the Interim Financing Term Sheet, Definitive Documents and the Interim Lender's Charge, including without limitation, to cease making advances to the Petitioners and set off and/or consolidate any amounts owing by the Interim Lender to the Petitioners against the obligations of the Petitioners to the Interim Lender under the Interim Financing Term Sheet, the Definitive Documents or the Interim Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Petitioners and for the appointment of a trustee in bankruptcy of the Petitioners; and
- (c) the foregoing rights and remedies of the Interim Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Petitioners or the Property.

39. The Interim Lender, in such capacity, shall be treated as unaffected in any plan of arrangement or compromise filed by the Petitioners under the CCAA, or any proposal filed by the Petitioners under the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**"), with respect to any advances made under the Definitive Documents.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

40. The priorities of the Administration Charge, the D&O Charge, and the Interim Lender's Charge (collectively, the "**Charges**") as among them, shall be as follows:

First – Administration Charge (to the maximum amount of \$1,000,000);

Second – D&O Charge (to the maximum amount of \$2,500,000);

Third – the Interim Lender’s Charge; and

Fourth – D&O Charge (to the maximum amount of \$2,500,000).

41. Any security documentation evidencing, or the filing, registration or perfection of, the Charges shall not be required, and that the Charges shall be effective as against the Property and shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered or perfected subsequent to the Charges coming into existence, notwithstanding any failure to file, register or perfect any such Charges.

42. Each of the Charges shall constitute a mortgage, security interest, assignment by way of security and charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, mortgages, charges and encumbrances and claims of secured creditors, statutory or otherwise (collectively, “**Encumbrances**”), in favour of any Person, save and except for those claims contemplated by section 11.8(8) of the CCAA.

43. Except as otherwise expressly provided herein, or as may be approved by this Court, the Petitioners shall not grant or suffer to exist any Encumbrances over any Property that rank in priority to, or *pari passu* with the Charges, unless the Petitioners obtain the prior written consent of the Monitor and the beneficiaries of the Charges.

44. The Charges, the Interim Financing Term Sheet, and the Definitive Documents shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the “**Chargees**”) shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, mortgage, security agreement, debenture, sublease, offer to lease or other agreement (collectively, an “**Agreement**”) which binds the Petitioners; and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the Interim Financing Term Sheet or the Definitive

Documents shall create or be deemed to constitute a breach by the Petitioners of any Agreement to which they are a party;

- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Petitioners entering into the Interim Financing Term Sheet, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and
- (c) the payments made by the Petitioners pursuant to this Order, the Interim Financing Term Sheet or the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

45. THIS COURT ORDERS that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Petitioners' interest in such real property leases.

SERVICE AND NOTICE

46. The Monitor shall (i) without delay, publish in *The Northern Miner* a notice containing the information prescribed under the CCAA, (ii) within five days after the Order Date, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Petitioners of more than \$1,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

47. The Petitioners and the Monitor are at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic transmission (including by e-mail) to the Petitioners' creditors or other interested parties at their respective addresses as last shown on the records of the Petitioners and that any such service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

48. Any Person that wishes to be served with any application and other materials in these proceedings must deliver to the Monitor by way of ordinary mail, courier, personal delivery or electronic transmission a request to be added to a service list (the “**Service List**”) to be maintained by the Monitor. The Monitor shall post and maintain an up to date form of the Service List on its website at: <https://cfcanada.fticonsulting.com/ACDC/> (the “**Website**”).

49. Any party to these proceedings may serve any court materials in these proceedings by emailing a PDF or other electronic copy of such materials to counsels' email addresses as recorded on the Service List from time to time, and the Monitor shall post a copy of all prescribed materials on its Website.

50. Notwithstanding paragraphs 47 and 49 of this Order, service of the Petition, the Notice of Hearing of Petition, any affidavits filed in support of the Petition and this Order shall be made on the Federal and British Columbia Crowns in accordance with the *Crown Liability and Proceedings Act*, R.S.C. 1985, c. C-50, and regulations thereto, in respect of the Federal Crown, and the *Crown Proceeding Act*, R.S.B.C. 1996, c. 89, in respect of the British Columbia Crown.

GENERAL

51. The Petitioners or the Monitor may from time to time apply to this Court for directions in the discharge of their powers and duties hereunder.

52. Nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Petitioners, the Business or the Property.

53. THIS COURT REQUESTS the aid and recognition of other Canadian and foreign Courts, tribunal, regulatory or administrative bodies, including any Court or administrative tribunal of any federal or State Court or administrative body in the United States of America, to act in aid of and to be complementary to this Court in carrying out the terms of this Order where required. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Petitioners and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Petitioners and the Monitor and their respective agents in carrying out the terms of this Order.

54. Each of the Petitioners and the Monitor be at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order and the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada, including acting as a foreign representative of the Petitioners to apply to the United States Bankruptcy Court for relief pursuant to Chapter 15 of the *United States Bankruptcy Code*, 11 U.S.C. §§ 101-1330, as amended.

55. The Petitioners may (subject to the provisions of the CCAA and the BIA) at any time file a voluntary assignment in bankruptcy or a proposal pursuant to the commercial reorganization provisions of the BIA if and when the Petitioners determine that such a filing is appropriate.

56. The Petitioners are hereby at liberty to apply for such further interim or interlocutory relief as they deem advisable within the time limited for Persons to file and serve Responses to the Petition.

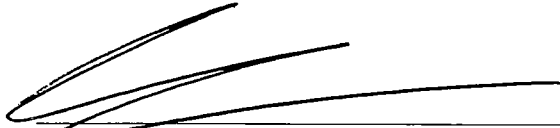
57. Leave is hereby granted to hear any application in these proceedings on two (2) clear days' notice after delivery to all parties on the Service List of such Notice of Application and all affidavits in support, subject to the Court in its discretion further abridging or extending the time for service.

58. Any interested party (other than the Petitioners and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to all parties on the Service List and to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

59. Endorsement of this Order by counsel appearing on this application, other than counsel for the Petitioners, is hereby dispensed with.

60. This Order and all of its provisions are effective as of 12:01 a.m. local Vancouver time on the Order Date.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:



Signature of Peter Bychawski
Lawyer to the Petitioners

BY THE COURT



REGISTRAR



Schedule "A"**List of Counsel**

COUNSEL	PARTY
Kyle Kashuba	Canada Enterprise Emergency Funding Corporation
Maya Poliak	Axis Reinsurance Company (Canadian Branch) Amynta Surety Solutions
Mary Buttery and Christian Garton	Government of the Northwest Territories
Jennifer Pepper	Zurich Insurance Company Ltd. (Canadian Branch), Aviva Insurance Company of Canada, and Argonaut Insurance Company
Lisa Hiebert	FTI Consulting Canada Inc.
Jordan Schultz	Procon Mining and Tunneling Inc.

No. S263255
Vancouver Registry

**IN THE SUPREME COURT OF
BRITISH COLUMBIA**

IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, C. C-36 AS
AMENDED

AND

IN THE MATTER OF THE PLAN OF COMPROMISE
OR ARRANGEMENT OF ARCTIC CANADIAN
DIAMOND COMPANY LTD., AND BURGUNDY
DIAMONDS (CANADA) LIMITED

PETITIONERS

ORDER

Peter Bychawski
BLAKE, CASSELS & GRAYDON LLP
Barristers and Solicitors
1133 Melville Street
Suite 3500, The Stack
Vancouver, BC V6E 4E5
604.631.4218
Agent: Dye & Durham

3. The Monitor, ACDC, and their respective advisors are hereby authorized and directed to carry out the SISP and to take such steps and execute such documentation as may be necessary or incidental to the SISP.

4. The Monitor, ACDC, and their respective affiliates, partners, directors, employees, advisors, agents, shareholders and controlling persons shall have no liability with respect to any losses, claims, damages or liability of any nature or kind to any person in connection with or as a result of the SISP or the conduct thereof, except to the extent of such losses, claims, damages or liabilities resulting from the gross negligence or willful misconduct of any of the foregoing in performing their obligations under the SISP (as determined by this Court).

5. Pursuant to Section 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, S.C. 2000, c.5, section 18(1)(o) of the *Personal Information Protection Act*, S.B.C. 2003, c.63, any regulations promulgated under the authority of either Act, or any equivalent enactments of the Northwest Territories, the Monitor and ACDC may disclose personal information of identifiable individuals to Potential Bidders and their advisors in connection with the SISP, but only to the extent desirable or required to carry out the SISP. Each Potential Bidder (and their respective advisors) to whom any such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information solely to its evaluation of a transaction in respect of ACDC and the Property, and if it does not complete such a transaction, shall return all such information to the Monitor, or in the alternative destroy all such information. The Successful Bidder shall be entitled to continue to use the personal information provided to it in a manner that is in all material respects identical to the prior use of such information by the Monitor and ACDC, and shall return all other personal information to the Monitor, or ensure that all other personal information is destroyed.

6. Endorsement of this Order by counsel appearing on this application other than counsel for the Applicants is hereby dispensed with.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:



Signature of Peter Bychawski
Lawyer for the Applicants

BY THE COURT.



Registrar



Schedule "A"

List of Counsel

Counsel Name	Party Represented
Kyle Kashuba	Canada Enterprise Emergency Funding Corporation
Maya Poliak	Axis Reinsurance Company (Canadian Branch) <i>Amynata Surety Solutions</i>
Mary Buttery and Christian Garton	Government of the Northwest Territories
Jennifer Pepper	Zurich Insurance Company Ltd. (Canadian Branch), Aviva Insurance Company of Canada, and Argonaut Insurance Company
Lisa Hiebert	FTI Consulting Canada Inc.
<i>Jordan Schultz</i>	<i>Proton Mining and Tunneling Inc.</i>

Schedule "B" to SISP Order

ARCTIC CANADIAN DIAMOND COMPANY LTD.

CCAA SALES AND INVESTMENT SOLICITATION PROCESS

INTRODUCTION

1. Arctic Canadian Diamond Company Ltd. ("**ACDC**" or the "**Company**") obtained protection under the Companies' Creditors Arrangement Act (the "**CCAA**") pursuant to an Order (the "**Initial Order**") issued by the Supreme Court of British Columbia (the "**Court**") on May 1, 2026. Pursuant to the Initial Order, FTI Consulting Canada Inc. was appointed as monitor of the Company (the "**Monitor**"). All capitalized terms used herein and not otherwise defined shall have the meaning ascribed to them in the Initial Order.
2. On May 11, 2026, the Court issued an Order (the "**SISP Order**") which, among other things, approved this Sales and Investment Solicitation Process (the "**SISP**") with respect to the Company and all the assets, undertakings and properties of the Company (collectively, the "**Property**"), including without limitation the interests of the Company in the Ekati Mine located in the Northwest Territories. The objective of the SISP is to maximize the recovery to the stakeholders of the Company.
3. This SISP describes the way the Monitor, with the assistance of the Company, and in consultation with Canada Enterprise Emergency Funding Corporation ("**CEEFC**") (as the senior secured lender and the interim lender to the Company), will advance this SISP and how interested parties may gain access to due diligence materials concerning the Company and the Property, how bids involving the Property or Company, or any part or parts thereof, will be submitted and dealt with, and how required Court approval will be sought in respect of any transaction or transactions involving the Property or Company.

SUPERVISION AND CONDUCT OF THE SISP

4. The Monitor, with the assistance of the Company and in consultation with CEEFC, will oversee the conduct of the SISP.
5. The Monitor may engage such other consultants, agents or experts and such other persons from time to time as may be reasonably necessary to assist the Monitor in carrying out this SISP.
6. This SISP does not, and will not be interpreted to, create any contractual or other legal relationship between the Monitor, the Company and any Potential Bidder, or Qualified Bidder (each as defined below) or any other party, other than as specifically set forth in a definitive agreement that may be signed with the Company. Further, the Company reserves the right not to enter into such definitive agreement.
7. Without limiting the preceding paragraph, the Monitor and the Company shall not have any liability whatsoever to any person or party, including without limitation any bidder, Potential Bidder, Qualified Bidder, the Successful Bidder (as defined below), or any other creditor or other stakeholder of the Company, for any act or omission related to the process contemplated by this SISP, except to the extent such act or omission is the result of such party's gross negligence or willful misconduct.

8. Participants in the SISP are responsible for all costs, expenses and liabilities incurred by them in connection with the submission of any bid, due diligence activities, and any further negotiations or other actions whether or not they lead to the consummation of a transaction involving the Property or the Company.
9. The Monitor and the Company and any of their agents, estates, advisors, and professionals are not responsible for, and will have no liability with respect to, any information provided to or obtained by any Potential Bidder in connection with the Company or its Property.
10. In consultation with the Company and CEEFC, and subject to the terms of the DIP Term Sheet dated May 8, 2026 as between ACDC, as borrower, CEEFC, as lender, and Burgundy Diamond Mines Limited, as guarantor. (the "**DIP Term Sheet**"), and the consent and consultation rights of CEEFC set out herein, the Monitor shall have the right to modify the terms of this SISP, including the requirements, criteria and timelines set out herein if, in the Monitor's reasonable business judgment, such modification will enhance the process or better achieve the objectives of the SISP. Notwithstanding the foregoing, the Monitor shall not modify the LOI Deadline or the Outside Closing Date without the prior written consent of CEEFC.

CONFIDENTIALITY AND ACCESS TO INFORMATION

11. Subject to paragraph 12 herein, participants and prospective participants under this SISP process, and all other persons, shall not be entitled to receive any information that is not made generally available to all participants, including the details of any confidential discussions or correspondence between the Monitor, the Company, and such participants, except to the extent that the Monitor seeks to combine portion bids into a single bid. For greater certainty, the Monitor reserves the right to keep all information relating to this SISP process confidential from all persons if, in the view of the Monitor, such confidentiality is required to protect the integrity of this SISP process.
12. Notwithstanding the foregoing paragraph, the Monitor shall be entitled to share with—and where the Company is required pursuant to the DIP Term Sheet, shall share with—CEEFC all information received by the Monitor and the Company with respect to the SISP, which information shall be kept confidential by CEEFC. In addition, should the Monitor determine, in its reasonable business judgment, that to do so would advance the objectives of the SISP, the Monitor shall also be entitled to share all information received by the Monitor and the Company with respect to the SISP with the Government of the Northwest Territories (the "**GNWT**"), to the extent and on terms determined by the Monitor, which information shall be kept confidential by the GNWT.
13. All discussions regarding this SISP process shall be directed through the Monitor. Under no circumstances should any participants and prospective participants be in contact with one another in respect of this SISP process without the prior written consent of the Monitor.
14. The Monitor, the Company and CEEFC, and, to the extent applicable, GNWT shall keep confidential all information concerning Potential Bidders, LOIs, Qualified Bidders, Final Bids, Qualified Final Bids, Winning Bid, Successful Bidder, the Backup Bidder, and the Final Agreement (each as defined below), except for: (i) disclosure on a confidential

basis to their advisors; (ii) CEEFC's disclosure on a confidential basis to Canada Development Investment Corporation and to His Majesty in Right of Canada, any Crown corporation, and any department, Minister, office or agency of a provincial government or the Government of Canada, including the Auditor General, and as otherwise permitted by the DIP Term Sheet; and (iii) disclosure as the Monitor may deem appropriate and consent to in advance and in writing to further the SISP or in furtherance of a transaction.

15. To the extent that any Potential Bidders wish to engage, discuss, or communicate with any party with an existing contractual relationship with the Company in relation to this SISP or the business or assets of the Company, such Potential Bidders may only do so after advising the Monitor and the Company and obtaining the Monitor's prior written consent. In considering any specific request, the Monitor shall impose such restrictions, if any, or participation by the Monitor, as the Monitor deems appropriate.

TIMELINE

16. The following table sets out the target dates under the SISP:

PHASE	TARGET DATES
SISP Order	May 11, 2026
Distribute Teaser Letter	Within 5 days of the issuance of the SISP Order
Access to Electronic Data Room	Commencing May 15, 2026
LOI Deadline	July 10, 2026
Final Bid Deadline	September 25, 2026
Final Agreement Deadline	October 9, 2026
Court Approval	October 23, 2026
Outside Closing Date	November 6, 2026

PHASE 1 OF THE SISP PROCESS

A. Initial Solicitation of Interest

17. The Monitor, with the assistance of the Company, will prepare a list of potential bidders (the "**Known Potential Bidders**") who may have an interest in a transaction involving the Property or the Company. Such list will include parties who, in the Monitor's reasonable judgment, may be interested in acquiring all or substantially all of the Company's Property, pursuant to either: (a) an asset purchase transaction (an "**Asset Bid**"); or (b) some other investment, restructuring, recapitalization or other form of

reorganization of the business, property or affairs of the Company, including but not limited to the debt, share, or capital structure of the Company (a “**Restructuring Bid**”).

18. The Monitor, with the assistance of the Company, will prepare an initial marketing or offering summary (a “**Teaser Letter**”) within 5 days of the issuance of the SISP Order and distribute it to the Known Potential Bidders together with any additional marketing materials the Monitor considers appropriate, and the Company will prepare a draft form of confidentiality agreement, in a form satisfactory to the Monitor (the “**Confidentiality Agreement**”).
19. The Monitor, with the assistance of the Company, shall cause a notice regarding the SISP, the Teaser Letter, and any other relevant information regarding the SISP process that the Monitor, in consultation with the Company, considers appropriate, to be published on the Monitor’s website and in publications as may be considered appropriate by the Monitor.
20. Any Known Potential Bidder or other person wishing to submit an Asset Bid and/or a Restructuring Bid who: (a) executes a Confidentiality Agreement in form and substance satisfactory to the Monitor; (b) in the judgment of the Monitor, in consultation with the Company and CEEFC, appears to have a bona fide interest in submitting an Asset Bid and/or Restructuring Bid; and (c) in the judgment of the Monitor, in consultation with the Company and CEEFC, appears to have the financial capabilities and the technical, managerial, and operational expertise and capabilities to make a viable Asset Bid or Restructuring Bid, shall be deemed to be a potential bidder (each such person so deemed, a “**Potential Bidder**”).

B. Initial Due Diligence

21. The Monitor, in consultation with and with the assistance of the Company, may prepare such marketing or other materials in addition to the Teaser Letter as they deem appropriate describing the opportunity to make an Asset Bid or a Restructuring Bid for distribution to Known Potential Bidders and/or Potential Bidders.
22. The Monitor, in consultation with and with the assistance of the Company, shall provide Potential Bidders with access to an electronic data room that will contain information in the possession or control of the Monitor and the Company that in the Monitor’s reasonable business judgment will allow Potential Bidders to evaluate their interest in submitting an Asset Bid or a Restructuring Bid.
23. For greater certainty, Potential Bidders must rely solely on their own independent review, investigation and/or inspection of all information and of the Property and the Company in connection with their participation in the SISP and any transaction they may enter into with the Company.

C. Qualified LOI Process

24. Any Potential Bidder who wishes to submit an Asset Bid or a Restructuring Bid must deliver a written, non-binding letter of intent in respect of the Property or the Company (each, an “**LOI**”) to the Monitor in the manner and at the address specified in **Schedule “A”** hereto so as to be received by the Monitor not later than 5:00 p.m. (Pacific Time)

on **July 10, 2026** (the “**LOI Deadline**”). An LOI shall be a qualified LOI (each, a “**Qualified LOI**”), provided that it contains:

- (a) an acknowledgment of receipt of a copy of this SISP, the SISP Order, and agreement to accept and be bound by the provisions contained therein;
- (b) a letter setting forth the identity of the Potential Bidder, the contact information for such Potential Bidder, and full disclosure of the direct and indirect owners of the Potential Bidder and their principals;
- (c) an indication of whether the Potential Bidder wishes to tender: (i) an Asset Bid; (ii) a Restructuring Bid; or (iii) both;
- (d) a specific indication of the anticipated sources of capital for such Potential Bidder and information regarding the Potential Bidder’s financial, managerial, operational, technical, and other capabilities to consummate an Asset Bid or a Restructuring Bid, as applicable, and such additional information as may be requested by the Monitor;
- (e) in the case of an Asset Bid, it identifies:
 - (i) the indicative purchase price in Canadian dollars and anticipated cash proceeds at closing;
 - (ii) a description of any material obligations and liabilities to be assumed;
 - (iii) any of the Property expected to be excluded, and/or any additional assets desired to be included in the transaction;
 - (iv) the structure and financing of the transaction including, but not limited to, the sources of financing to fund the acquisition, preliminary evidence of the availability of such financing or such other form of financial disclosure and credit-quality support or enhancement that will allow the Monitor, in consultation with the Company and CEEFC, to make a reasonable business or professional judgment as to the Potential Bidder’s financial or other capabilities to consummate the transaction and to perform all obligations to be assumed in such transaction and the steps necessary and associated timing to obtain financing and any related contingencies, as applicable;
 - (v) any anticipated corporate, shareholder, internal or regulatory approvals required to close the transaction and the anticipated time frame and any anticipated impediments for obtaining such approvals;
 - (vi) any conditions to closing that the Potential Bidder may wish to impose; and
 - (vii) any other terms or conditions of the Asset Bid that the Potential Bidder believes are material to the transaction;

- (f) in the case of a Restructuring Bid, it identifies:
- (i) an outline of the type of transaction or structure of the bid including with respect to any proposed restructuring, recapitalization, or other form of reorganization of the business, property, or affairs of the Company, including but not limited to the debt, share, or capital structure of the Company, as applicable;
 - (ii) the aggregate amount of the equity and debt investment, including any material obligations and liabilities to be assumed by the Potential Bidder, to be made in the Company, if applicable;
 - (iii) the underlying assumptions regarding the pro forma capital structure (including the form and amount of anticipated equity and/or debt levels, debt service fees, interest or dividend rates, amortization, voting rights, or other protective provisions (as applicable), redemption, prepayment or repayment attributes and any other material attributes of the investment);
 - (iv) the consideration to be allocated to the stakeholders including claims of any secured or unsecured creditors of the Company;
 - (v) the financing of the transaction including, but not limited to, the sources of financing to fund the acquisition, preliminary evidence of the availability of such financing or such other form of financial disclosure and credit-quality support or enhancement that will allow the Monitor, in consultation with the Company and CEEFC, to make a reasonable business or professional judgment as to the Potential Bidder's financial or other capabilities to consummate the transaction and to perform all obligations to be assumed in such transaction and the steps necessary and associated timing to obtain financing and any related contingencies, as applicable;
 - (vi) any anticipated corporate, shareholder, internal or regulatory approvals required to close the transaction, the anticipated time frame and any anticipated impediments for obtaining such approvals;
 - (vii) any conditions to closing that the Potential Bidder may wish to impose; and
 - (viii) any other terms or conditions of the Restructuring Bid that the Potential Bidder believes are material to the transaction; and
- (g) such other information reasonably requested by the Monitor, in consultation with the Company.
25. The Monitor and the Company shall retain full discretion and authority to discuss any LOIs received, and their terms, with the applicable Potential Bidders.
26. Following the LOI Deadline, the Monitor, in consultation with the Company and CEEFC, will assess the Qualified LOIs. If it is determined by the Monitor, in consultation with the

Company and CEEFC, that a Potential Bidder that has submitted a Qualified LOI: (a) has a bona fide interest in consummating an Asset Bid or a Restructuring Bid, as applicable; and (b) has the financial, managerial, operational, technical, and other capabilities to consummate an Asset Bid or a Restructuring Bid, as applicable, then such Potential Bidder will be deemed a “**Qualified Bidder**”, provided that the Monitor may, in its reasonable business judgment, following consultation with the Company and CEEFC, limit the number of Qualified Bidders (and thereby eliminate some or all Potential Bidders who have submitted Qualified LOIs from this SISP) taking into account the factors identified in paragraph 36 of this SISP.

27. The Monitor, in consultation with the Company and CEEFC, may waive compliance with any one or more of the requirements specified above (other than the consultation rights of CEEFC in paragraph 26) and deem non-compliant Potential Bidders to be Qualified Bidders.

PHASE 2 OF THE SISP PROCESS

A. Due Diligence

28. The Monitor, in consultation with and with the assistance of the Company, will, in the Monitor’s reasonable business judgment and subject to competitive and other business considerations, afford each Qualified Bidder such access to additional due diligence materials and information relating to the Property and the Company as the Monitor deems appropriate. Due diligence access may include management presentations, on-site inspections, engagement with certain key stakeholders, and other matters which a Qualified Bidder may reasonably request and as to which the Monitor, in its reasonable business judgment and after consulting with the Company, may agree. For avoidance of doubt, and without limiting the terms of applicable Confidentiality Agreements, selected due diligence materials may be withheld from certain Qualified Bidders if the Monitor, in consultation with the Company, determines such information to represent proprietary or sensitive competitive information.
29. All Qualified Bidders will be provided with a form of draft asset purchase agreement (the “**Draft APA**”) that will serve as the basis for the submission of a Final Bid that is an Asset Bid.

B. Final Bid Process

30. Any Qualified Bidder may submit an Asset Bid or a Restructuring Bid (each, a “**Final Bid**”) to the Monitor at the address specified in **Schedule “A”** hereto on or before 5:00 p.m. (Pacific Time) on **September 25, 2026** (the “**Final Bid Deadline**”).
31. A Final Bid submitted as an Asset Bid shall be a “**Qualified Asset Bid**” if:
 - (a) it includes a duly authorized and executed purchase and sale agreement specifying all consideration payable, together with all exhibits and schedules thereto, and such ancillary agreements as may be required by the Qualified Bidder with all exhibits and schedules thereto, together with a blackline to the Draft APA provided to all Qualified Bidders;

- (b) it includes a letter stating that the Asset Bid is irrevocable until the earlier of: (i) the approval by the Court; and (ii) thirty-five (35) days following the Final Bid Deadline, provided, however, that if such Asset Bid is selected as a Winning Bid or a Backup Bid, it shall remain irrevocable until the closing of the Winning Bid or the Backup Bid, as the case may be;
- (c) it does not include any request or entitlement to any break fee, expense reimbursement or similar type of payment;
- (d) it includes written evidence of a firm, irrevocable commitment for all required funding and/or financing from a creditworthy bank or financial institution to consummate the proposed transaction, or other evidence of ability to consummate the proposed transaction that will allow the Monitor, in consultation with the Company and CEEFC, to make a determination as to the Qualified Bidder's (and its direct and indirect owners and their principals) financial and other capabilities to consummate the transaction contemplated by the Qualified Asset Bid;
- (e) it includes an acknowledgement and representation that the bidder: (i) has had an opportunity to conduct any and all required due diligence prior to making its Asset Bid; (ii) has relied solely on its own independent review, investigation and inspection of any documents, the assets to be acquired and the liabilities to be assumed; (iii) did not rely upon any written or oral statements, representations, promises, warranties or guarantees whatsoever, whether express or implied, except as expressly stated in the purchase and sale agreement; and (iv) unless prior written consent of the Monitor has been obtained, has not coordinated its Final Bid or any aspect of its participation in this SISP with any Potential Bidder, Qualified Bidder, or any party with an existing contractual relationship with the Company, has kept and will continue to keep its Final Bid confidential, and has not entered into any agreement or arrangement with any Potential Bidder, Qualified Bidder, or any party with an existing contractual relationship with the Company which has affected or may, directly or indirectly, affect the bidder's Final Bid or the Final Bid of any other bidder and/or the SISP process generally;
- (f) it fully discloses the identity of each person that is bidding or otherwise that will be sponsoring or participating in the Asset Bid, including the identification of the bidder's direct and indirect owners and their principals, and the complete terms of any such participation;
- (g) it provides for closing of the proposed transaction by no later than **November 6, 2026** (the "**Outside Closing Date**");
- (h) it is accompanied by a non-refundable deposit (the "**Deposit**") in the form of a wire transfer (to a trust account specified by the Monitor), in an amount equal to five percent (5%) of the total value of all cash and non-cash consideration to be paid in respect of the Asset Bid, to be held and dealt with in accordance with this SISP;
- (i) it contains other information reasonably requested by the Monitor; and
- (j) it is received by no later than the applicable Final Bid Deadline.

32. A Final Bid submitted as a Restructuring Bid shall be a “**Qualified Restructuring Bid**” if:
- (a) it includes definitive documentation, duly authorized, and executed by the Qualified Bidder, setting out the terms and conditions of the proposed transaction, including the aggregate amount of the proposed equity and debt investment, assumption of debt, if any, and details regarding the proposed equity and debt structure of the Company following completion of the proposed transaction;
 - (b) it includes a letter stating that the Restructuring Bid is irrevocable until the earlier of: (i) the approval by the Court; and (ii) thirty-five (35) days following the applicable Final Bid Deadline, provided, however, that if such Restructuring Bid is selected as a Winning Bid or a Backup Bid, it shall remain irrevocable until the closing of the Winning Bid or the Backup Bid, as the case may be;
 - (c) it does not include any request or entitlement to any break fee, expense reimbursement or similar type of payment;
 - (d) it includes written evidence of a firm, irrevocable commitment for all required funding and/or financing from a creditworthy bank or financial institution to consummate the proposed transaction, or other evidence of ability to consummate the proposed transaction that will allow the Monitor, in consultation with the Company and CEEFC, to make a determination as to the Qualified Bidder’s (and its direct and indirect owners and their principals) financial and other capabilities to consummate the transaction contemplated by the Restructuring Bid;
 - (e) it includes an acknowledgement and representation that the bidder: (i) has had an opportunity to conduct any and all required due diligence prior to making its Restructuring Bid; (ii) has relied solely on its own independent review, investigation and inspection of any documents, the assets to be acquired and the liabilities to be assumed; (iii) did not rely upon any written or oral statements, representations, promises, warranties or guarantees whatsoever, whether express or implied, except as expressly stated in the definitive documentation; and (iv) unless prior written consent of the Monitor has been obtained, has not coordinated its Final Bid or any aspect of its participation in this SISP with any Potential Bidder, Qualified Bidder, or any party with an existing contractual relationship with the Company, has kept and will continue to keep its Final Bid confidential, and has not entered into any agreement or arrangement with any Potential Bidder, Qualified Bidder, or any party with an existing contractual relationship with the Company which has affected or may, directly or indirectly, affect the bidder’s Final Bid or the Final Bid of any other bidder and/or the SISP process generally.
 - (f) it fully discloses the identity of each entity that is bidding or otherwise that will be sponsoring or participating in the Restructuring Bid, including the identification of the Qualified Bidder’s direct and indirect owners and their principals, and the complete terms of any such participation;
 - (g) it provides for closing of the proposed transaction by no later than the Outside Closing Date (being **November 6, 2026**);

- (h) it is accompanied by a non-refundable Deposit in the form of a wire transfer (payable to a trust account specified by the Monitor) in an amount equal to five percent (5%) of the total value of all cash and non-cash consideration to be paid or provided pursuant to the Restructuring Bid, to be held and dealt with in accordance with this SISP;
 - (i) it contains other information reasonably requested by the Monitor; and
 - (j) it is received by no later than the applicable Final Bid Deadline.
- 33. All Qualified Asset Bids and Qualified Restructuring Bids shall constitute "**Qualified Final Bids**".
 - 34. The Monitor, in consultation with the Company and CEEFC, may waive compliance with any one or more of the requirements specified above and deem non-compliant Final Bids to be Qualified Final Bids.

C. Selection of Winning Bid

- 35. In reviewing the Qualified Final Bids and before determining a Winning Bid or Backup Bid, the Monitor and the Company shall retain full discretion and authority to discuss the bids received, and their terms, with the applicable Qualified Bidders.
- 36. The Monitor shall review all Qualified Final Bids, in consultation with the Company and CEEFC, to determine the highest or otherwise best Asset Bid or Restructuring Bid. Evaluation criteria will include, but are not limited to, matters such as: (a) the purchase price or net value being provided by such bid; (b) the conditionality of any bid; (c) the firm, irrevocable commitment for any required financing; (d) the timeline to closing of any bid; (e) the identity, circumstances and ability of the proponents of the Qualified Final Bids to successfully complete the transaction; (f) the costs associated with the bid and its consummation; (g) the terms of the proposed transaction documents; and (h) the overall transaction certainty of any bid.
- 37. The Monitor shall, in consultation with the Company and subject to the consent of CEEFC, identify the highest or otherwise best Qualified Final Bid received for the Property, or part or parts thereof, as applicable (each, a "**Winning Bid**") and the next highest or otherwise best Qualified Final Bid received for the Property, or part or parts thereof, as applicable (each, a "**Backup Bid**"). A person or persons who make a Winning Bid shall be a "**Successful Bidder**" and a person or persons who make a Backup Bid shall be a "**Backup Bidder**".
- 38. As part of the assessment of Qualified Final Bids, the Monitor, in consultation with the Company and CEEFC, shall have the discretion to determine the process and timing to be followed in selecting the highest and best bid including, but not limited to, whether proceeding to negotiate with any Qualified Bidder to improve the terms of their Qualified Final Bid or to undertake a further process to assess any Qualified Final Bids (such as a sealed bid, auction, or other process, to be conducted in accordance with procedures determined by the Monitor).

39. The Monitor shall notify a Successful Bidder, if any, a Backup Bidder, if any, and any other bidders of their respective status as soon as reasonably practicable in the circumstances.
40. The Monitor will notify a Backup Bidder, if any, that their bid is a successful Backup Bid and the Backup Bid shall remain open and capable of acceptance by the Monitor until the earlier of: (a) the consummation of the transaction contemplated by a Winning Bid; and (b) the date that is 30 days after the applicable Final Agreement Deadline (as defined below) (the “**Backup Bid Release Date**”). For greater certainty, the Monitor shall be entitled to continue to hold the Deposit in respect of a Backup Bid until the Backup Bid Release Date.
41. Following selection of a Successful Bidder, if any, the Company may, but shall have no obligation to, enter into an agreement or agreements with a Successful Bidder (a “**Final Agreement**”). Any Final Agreement entered into with a Successful Bidder shall be executed on or before **October 9, 2026** (the “**Final Agreement Deadline**”).
42. The Company, in consultation with the Monitor and CEEFC, has the right not to accept any Qualified Final Bid. The Company, in consultation with the Monitor and CEEFC, further has the right to deal with one or more Qualified Bidders to the exclusion of other persons, to accept a Qualified Final Bid or Qualified Final Bids for some or all of the Property, to accept multiple Qualified Final Bids and enter into multiple Final Agreements.

“AS IS, WHERE IS” BASIS

43. Any transaction involving the Property or the Company will be subject only to such representations, warranties, covenants, or indemnities as are expressly included in a Final Agreement, but will otherwise be on an “as is, where is” basis and without surviving representations, warranties, covenants or indemnities of any kind, nature, or description by the Monitor or the Company, or any of their agents, estates, advisors, professionals or otherwise, and in the event of a sale, all of the right, title and interest of the Company in and to the Property to be acquired will be, subject to the Court granting approval and any other required orders in the form contemplated by the relevant transaction, sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options and interests therein and thereon, except those assumed pursuant to a Final Agreement.

COURT APPROVAL

44. If the Company enters into a Final Agreement in respect of a Winning Bid, a Backup Bid, or any other bid, the Company shall apply for an order from the Court approving the transaction contemplated by that bid and any necessary or appropriately related relief required to consummate the transaction contemplated by that bid. Court approval shall be a condition precedent to the consummation of any transaction or transactions contemplated by a Final Agreement. The Company may also: (a) concurrently obtain relief approving the transaction contemplated by a Backup Bid and any necessary related relief required to consummate the transaction contemplated by a Backup Bid; and (b) if deemed necessary or advisable, seek approval of or other relief in respect of the Winning Bid and/or Backup Bid from the courts or governmental bodies in other relevant jurisdictions.

DEPOSITS

45. All Deposits paid pursuant to this SISP shall be held in trust by the Monitor in a non-interest-bearing account. The Monitor shall hold Deposits paid by each Winning Bidder and Backup Bidder in accordance with the terms of the Final Agreement with the Successful Bidder and the Backup Bidder, or as may be ordered by the Court.
46. If a Deposit is paid pursuant to this SISP, and the Monitor elects not to proceed to negotiate and settle the terms and conditions of a definitive agreement with the person that paid such Deposit, the Monitor shall return the Deposit to that person.
47. If: (a) a Qualified Bidder breaches any of its obligations under its Qualified Final Bid, any Final Agreement or the terms of this SISP (including the Confidentiality Agreement); or (b) a Qualified Bidder breaches its obligations under the terms of this SISP (including the Confidentiality Agreement) or under the terms of its Qualified Final Bid if required by the Monitor to complete such transaction contemplated by its Qualified Final Bid, then, in each case, such Qualified Bidder's Deposit will be forfeited as liquidated damages and not as a penalty.

TERMINATION OF THE SISP

48. The Monitor, in consultation with the Company and CEEFC, may terminate the SISP if the Monitor determines that it is not in the best interest of the Company and its stakeholders to continue with this SISP process, including based on the nature or value of one or more bids received from Potential Bidders or Qualified Bidders on or before the LOI Deadline or the Final Bid Deadline, as applicable.

MISCELLANEOUS

49. Unless otherwise indicated herein, any event that occurs on a day that is not a business day shall be deemed to occur on the next business day.
50. Each Qualified Bidder, upon being declared as such under the SISP, shall be deemed to have irrevocably and unconditionally attorned and submitted to the jurisdiction of the Court in respect of any action, proceeding or dispute in relation to the conduct or any aspect of the SISP.
51. At any time during the SISP process, the Monitor or the Company may apply to the Court for advice and directions with respect to the discharge of its obligations and duties herein.

SCHEDULE "A" TO SISP

Address for Deliveries

Any delivery made to the Monitor pursuant to this SISP shall be made to:

FTI Consulting Canada Inc.
701 W Georgia St #1450,
Vancouver, British Columbia V7Y 1B6

Attention: Tom Powell / Longmai Yan
Email: tom.powell@fticonsulting.com / longmai.yan@fticonsulting.com

Deliveries pursuant to this SISP by email shall be deemed to be received when sent. In all other instances, deliveries made pursuant to this SISP shall be deemed to be received when delivered to the address as identified above.

No. S263255
Vancouver Registry

**IN THE SUPREME COURT OF
BRITISH COLUMBIA**

IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, C. C-36 AS
AMENDED

AND

IN THE MATTER OF THE PLAN OF COMPROMISE
OR ARRANGEMENT OF ARCTIC CANADIAN
DIAMOND COMPANY LTD., AND BURGUNDY
DIAMONDS (CANADA) LIMITED

PETITIONERS

ORDER

Peter Bychawski
BLAKE, CASSELS & GRAYDON LLP
Barristers and Solicitors
1133 Melville Street
Suite 3500, The Stack
Vancouver, BC V6E 4E5
604.631.4218
Agent: Dye & Durham

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, C. C-36 AS AMENDED

AND

IN THE MATTER OF THE PLAN OF COMPROMISE OR ARRANGEMENT OF
ARCTIC CANADIAN DIAMOND COMPANY LTD., AND BURGUNDY
DIAMONDS (CANADA) LIMITED

PETITIONERS

ORDER MADE AFTER APPLICATION

BEFORE	}	THE HONOURABLE MR. JUSTICE P. WALKER	}	2026/07/14
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ON THE APPLICATION of Government of the Northwest Territories (“**GNWT**”) for an Order pursuant to Section 39 of the *Law and Equity Act*, R.S.B.C. 1996 c. 253, as amended (the “**LEA**”) appointing PricewaterhouseCoopers Inc. (“**PwC**”) as Receiver (in such capacity, the “**Receiver**”), without security, of all of the assets, undertakings and property in which Arctic Canadian Diamond Company Ltd. and Burgundy Diamonds (Canada) Limited (collectively, the “**Debtors**”) have an interest, including, without limitation, the Ekati Mine located in the Lac de Gras region of the Northwest Territories of Canada (the “**Ekati Mine**”), coming on for hearing this day at 800 Smithe Street, Vancouver, British Columbia.

AND ON READING Affidavit #1 of Robert Jenkins made on July 13, 2026, and the consent of PwC to act as the Receiver; AND ON HEARING Mary Buttery, K.C. and Christian Garton, counsel for GNWT and those other counsel listed on **Schedule “A”** hereto.

THIS COURT ORDERS AND DECLARES that:

SERVICE

1. The time for service of the notice of application for this Order is hereby abridged, and the application is properly returnable today.

CCAA PROCEEDINGS

2. The amended and restated initial order (the “**ARIO**”) of this Court pronounced in these proceedings on June 11, 2026, under the *Companies' Creditors Arrangement Act*, RSC

1985, c-36, as amended (“CCAA”), is hereby terminated and the provisions thereof are of no further force and effect except as contemplated by the terms of this Order.

3. Effective immediately, FTI Consulting Canada Inc. (“FTI”) shall be and hereby is discharged as monitor of the Debtors (in such capacity, the “**Monitor**”), and FTI shall have no further duties, obligations, or responsibilities as Monitor in these proceedings except as contemplated by the terms of this Order.
4. Notwithstanding any provision of this Order:
 - (a) the Monitor is authorized to take such steps and actions as it deems necessary to perform such statutory, court-ordered or other duties as may be required in order to properly complete its mandate as Monitor and address any matters ancillary or incidental to its capacity as Monitor;
 - (b) the Monitor and its counsel are authorized to cooperate with and assist the Receiver with respect to the transition of these proceedings from proceedings under the CCAA to receivership proceedings, or with respect to any other matters related to these proceedings within the Receiver’s discretion;
 - (c) the Monitor shall continue to have the benefit of the provisions of the CCAA and of all orders made in these proceedings in relation to its appointment and activities as the Monitor, including all approvals, protections, and stays of proceedings in favour of FTI in its capacity as the Monitor, and nothing herein shall affect, vary, derogate from, limit, or amend any protections in favour of the Monitor at law or pursuant to the CCAA, orders made in these proceedings, or any other order of this Court in these proceedings; and
 - (d) the Receiver shall pay the reasonable fees and disbursements of the Monitor and its legal counsel incurred in connection with the completion of its mandate and the provision of assistance of the Receiver.
5. Notwithstanding the discharge of FTI as Monitor, FTI is hereby authorized from and after the date of this Order to apply to this Court to address matters ancillary or incidental to the completion of its mandate, and in particular, without limitation, the Monitor has leave to seek orders on notice to those persons on the Service List (as defined below) approving the fees and disbursements of the Monitor and the Monitor’s legal counsel incurred in connection with these proceedings.
6. The activities of the Monitor in these proceedings as set out in the Monitor’s reports filed herein are hereby approved, provided that only FTI, in its own capacity and only in respect to its liability, shall be entitled to rely upon or utilize in any way such approval.
7. FTI (in its capacity as Monitor or otherwise) and Fasken Martineau DuMoulin LLP (in its capacity as counsel to the Monitor) and their respective affiliates and officers, directors, partners, employees, and agents (collectively, the “**FTI Released Parties**”), be and are hereby released and discharged from any and all claims that any person may have or be entitled to assert against the FTI Released Parties, whether known or unknown, matured or

unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the date of the Monitor's discharge or such other date as ordered by this Court in any way relating to, arising out of, or in respect of these proceedings, or with respect to its conduct in these proceedings (the "**Released Claims**") and any such Released Claims are hereby released, stayed, extinguished and forever barred, with prejudice, and the FTI Released Parties shall have no liability in respect thereof, provided that the Released Claims shall not include any claim arising out of gross negligence or wilful misconduct on the part of the FTI Released Parties.

8. No action or other proceedings shall be commenced against any of the FTI Released Parties in any way arising from or related to these proceedings, except with prior leave of this Court on at least ten (10) days' prior written notice to the FTI Released Parties.

APPOINTMENT

9. Pursuant to Section 39 of the *LEA*, PwC is appointed Receiver, without security, of all the assets, undertakings and property in which the Debtors have an interest, including, without limitation, the Ekati Mine and all proceeds of the foregoing (collectively, the "**Property**"), for the purpose of overseeing such steps as may be necessary or appropriate to: (i) manage, wind down, or terminate the business and mining activities of the Debtors (the "**Business and Mining Activities**"); (ii) conduct the environmental remediation and reclamation of the Ekati Mine and surrounding area, as required in consultation with GNWT, any technical advisors retained by GNWT, any technical advisors retained by the Receiver, and pursuant to regulatory obligations, as applicable (the "**Reclamation**"); (iii) comply with all directions issued by GNWT, or its representatives, pursuant to any regulatory authority in connection with the Property (the "**Regulatory Directions**"); and (iv) conduct any other reasonable activities deemed appropriate by the Receiver in relation to the Debtors or the Property, subject in each case to funding being available to the Receiver.
10. The Receiver is a receiver within the meaning of Section 243(2)(b)(ii) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 ("**BIA**").

RECEIVER'S POWERS

11. The Receiver is empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:
 - (a) take possession of and exercise control over the Property and any and all receipts and disbursements arising out of or from the Property, including without limitation all funds in any bank accounts, trust accounts, lawyer trust accounts or other accounts in which funds are held for the benefit of respondents, wherever located;
 - (b) receive, preserve and protect the Property, or any part or parts thereof, including, but not limited to, changing locks and security codes, relocation of Property,

engaging independent security personnel, taking physical inventories and placing insurance coverage;

- (c) oversee and facilitate the Reclamation;
- (d) manage the business of the Debtors, including the powers to enter into any agreements, incur any obligations, cease to carry on all or any part of the business, and disclaim or cease to perform any contracts of the Debtors;
- (e) effect workforce reductions, including layoffs or terminations of the Debtors' employees, in such manner as the Receiver, in its sole discretion, deems necessary or appropriate, and in all cases notwithstanding the provisions of: (i) any applicable collective bargaining agreement; (ii) any federal, territorial or provincial employment legislation, including without limitation the *Canada Labour Code*, RSC 1985, c. L-2 and the *Employment Standards Act*, SNWT 2007, c. 13, including section 41 thereof;
- (f) engage consultants, appraisers, agents, experts, technical advisors, including engineering, health and safety and environmental advisors, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including, without limitation, those conferred by this Order;
- (g) purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to wind down or terminate the Business and Mining Activities or any part or parts thereof, and to effect the Reclamation;
- (h) receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting these amounts, including, without limitation, enforcement of any security held by the Debtors;
- (i) settle, extend or compromise any indebtedness owing to the Debtors, including, with the consent of GNWT, to pay any amounts owing to creditors of the Debtors as at the date of this Order;
- (j) execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtors, for any purpose pursuant to this Order;
- (k) undertake environmental or workers' health and safety assessments of the Property and operations of the Debtors;
- (l) initiate, manage and direct all legal proceedings now pending or hereafter pending (including appeals or applications for judicial review) in respect of the Debtors, the Property or the Receiver, including initiating, prosecuting, continuing, defending, settling or compromising the proceedings;

- (m) market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver considers appropriate;
- (n) sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business:
 - (i) without the approval of this Court in respect of a single transaction for consideration up to \$1,000,000 provided that the aggregate consideration for all such transactions does not exceed \$5,000,000; and
 - (ii) with the approval of this Court in respect of any transaction in which the individual or aggregate purchase price exceeds the limits set out in subparagraph (i) above,and in each such case notice under Section 59(10) of the *Personal Property Security Act*, R.S.B.C. 1996, c. 359, or any statutory equivalents in the Northwest Territories, shall not be required;
- (o) apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers, free and clear of any liens or encumbrances;
- (p) report to, meet with and discuss with such affected Persons (as defined below) as the Receiver considers appropriate on all matters relating to the Property and the receivership, and to share information, subject to confidentiality terms as the Receiver considers appropriate;
- (q) register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (r) apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if considered necessary or appropriate by the Receiver, in the name of the Debtor;
- (s) assign either of the Debtors into bankruptcy;
- (t) enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limitation, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (u) exercise any shareholder, partnership, joint venture or other rights which the Debtor may have;
- (v) take any steps as may be reasonably necessary or appropriate to facilitate the Reclamation or comply with any Regulatory Directions; and

- (w) take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations,

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtors, and without interference from any other Person.

- 12. For clarity, subject to further order of this Court, the Receiver shall not operate the Debtors' business except to the extent necessary to effect the wind down and termination of the Business and Mining Activities and to effect the Reclamation.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

- 13. Each of (i) the Debtors; (ii) all of the Debtors' current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf; and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (collectively, "**Persons**" and each a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property (excluding Property subject to liens the validity of which is dependent on maintaining possession) to the Receiver upon the Receiver's request.
- 14. All Persons, other than governmental authorities, shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtors, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (collectively, the "**Records**") in that Person's possession or control. Upon request, governmental authorities shall advise the Receiver of the existence of any Records in that Person's possession or control.
 - 1. Upon request, all Persons shall provide to the Receiver or permit the Receiver to make, retain and take away copies of the Records and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities, provided however that nothing in paragraphs 14, 1 or 2 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to solicitor client privilege or statutory provisions prohibiting such disclosure.
 - 2. If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by an independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this

paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may require including, without limitation, providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

3. No proceeding or enforcement process in any court or tribunal (each, a “**Proceeding**”), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY

4. No Proceeding against or in respect of the Debtors or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtors or the Property are stayed and suspended pending further Order of this Court; provided, however, that nothing in this Order shall prevent any Person from commencing a Proceeding regarding a claim that might otherwise become barred by statute or an existing agreement if such Proceeding is not commenced before the expiration of the stay provided by this paragraph and provided that no further step shall be taken in respect of the Proceeding except for service of the initiating documentation on the Debtors and the Receiver.
5. Notwithstanding the foregoing, nothing in this Order shall in any way prevent GNWT from issuing any Regulatory Directions or taking any steps within its power as regulator in connection with the Ekati Mine or the Reclamation.

NO EXERCISE OF RIGHTS OR REMEDIES

6. All rights and remedies (including, without limitation, set-off rights) against the Debtors, the Receiver, or affecting the Property, are stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that nothing in this Order shall (i) empower the Receiver or the Debtors to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) affect the rights of any regulatory body as set forth in section 69.6(2) of the BIA, (iii) prevent the filing of any registration to preserve or perfect a security interest, (iv) prevent the registration of a claim for lien, or (v) exempt the Receiver or the Debtors from compliance with statutory or regulatory obligations relating to health, safety, the environment, or mining operations. This stay and suspension shall not apply in respect of any “eligible financial contract” as defined in the BIA.

NO INTERFERENCE WITH THE RECEIVER

7. No Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtors, without written consent of the Receiver or leave of this Court. Nothing in this Order shall prohibit any party to an eligible financial contract from closing out and terminating such contract in accordance with its terms. For greater certainty,

nothing in this Order shall affect the Wek'eezii Land and Water Board's authority, and any governmental or other body's discretion as regulator, to approve, suspend, reject, terminate, or otherwise affect any of the licenses or authorizations held by the Debtors in connection with the Ekati Mine in accordance with applicable statutory and regulatory powers.

CONTINUATION OF SERVICES

8. All Persons having oral or written agreements with the Debtors or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtors are restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver (including as may be required in order to comply with any Regulatory Directions or otherwise in connection with the Reclamation), and the Receiver shall be entitled to the continued use of the Debtors' current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

9. All funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever including, without limitation, the sale of all or any of the Property, or the collection of any accounts receivable, in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post-Receivership Accounts**") and the monies standing to the credit of such Post-Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further order of this Court.

EMPLOYEES

10. Subject to the employees' right to terminate their employment, all employees of the Debtors shall remain the employees of the Debtors until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities of the Debtors, including in respect of any applicable collective bargaining agreement and in respect of any successor employer liabilities as referred to in Section 14.06(1.2) of the BIA, other than amounts the Receiver may specifically agree in writing to pay or in respect of obligations imposed specifically on receivers by applicable legislation, including sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*, S.C. 2005, c.47. The Receiver shall be liable for any employee-related liabilities, including wages, severance pay, termination pay, vacation pay, and pension or benefit amounts relating to any employees that the

Receiver may hire in accordance with the terms and conditions of such employment by the Receiver.

PERSONAL INFORMATION

11. Pursuant to Section 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5 or Section 18(1)(o) of the *Personal Information Protection Act*, S.B.C. 2003, c. 63, and any statutory equivalents in the Northwest Territories, the Receiver may disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a “**Sale**”). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

12. Notwithstanding any other provision of this Order, none of PwC or the Receiver, or any of their respective directors, officers, agents, employees or representatives shall occupy or take control, care, charge, possession, or management (separately and/or collectively, “**Possession**”), or be deemed to have taken Possession, of any Property that is or might be environmentally contaminated, a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance (whether as a result of the Incident or otherwise) (“**Contaminated Property**”) contrary to any federal, provincial, territorial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the mining industry or the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, 1999 (Canada), the *Waters Act* (Northwest Territories), the *Northwest Territories Lands Act* (Northwest Territories), the *Environmental Protection Act* (Northwest Territories), the *Fisheries Act* (Canada), the *Wildlife Act* (Northwest Territories), the *Canadian Navigable Waters Act* (Canada), and the *Mackenzie Valley Resource Management Act* (Canada), each as may be amended, supplemented, modified, or replaced, and the regulations thereunder (the “**Environmental Legislation**”). Without limiting the generality of the foregoing, the Receiver and any of its directors, officers, agents, employees or representatives shall not, as a result of this Order or anything done pursuant to this Order, be deemed to be in Possession of any Contaminated Property within the meaning of any Environmental Legislation. All such Contaminated Property shall be deemed to remain in the sole Possession of the Debtors within the meaning of any applicable Environmental Legislation; provided, however, that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Regulatory Directions or applicable Environmental Legislation.

13. Notwithstanding anything in federal or provincial law, the Receiver is not personally liable in that position for any environmental condition that arises or environmental damage that occurred:
 - (a) before the Receiver's appointment; or
 - (b) after the Receiver's appointment, unless it is established that the condition arose or the damage occurred as a result of the Receiver's gross negligence or wilful misconduct.
14. Notwithstanding anything in federal, provincial or territorial law, but subject to paragraph 13 of this Order, where an order is made which has the effect of requiring the Receiver to remedy any environmental condition or environmental damage affecting the Property, if the Receiver complies with the BIA section 14.06(4), the Receiver is not personally liable for the failure to comply with the order and is not personally liable for any costs that are or would be incurred by any Person in carrying out the terms of the order.

LIMITATION ON THE RECEIVER'S LIABILITY

15. The Receiver and its directors, officers, employees, representatives and agents shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, including, without limitation, any liability or obligation in connection with any Contaminated Property or Environmental Legislation, or any failure by the Debtors to comply with any Environmental Legislation or Regulatory Directions, save and except for:
 - (a) any gross negligence or wilful misconduct on their part; or
 - (b) amounts in respect of obligations imposed specifically on receivers by applicable legislation.

Nothing in this Order shall derogate from the protections afforded the Receiver by Section 14.06 of the *BIA* or by any other applicable legislation.

RECEIVER'S ACCOUNTS

16. The Receiver and its legal counsel, if any, are granted a charge (the "**Receiver's Charge**") on the Property, as security for the payment of their fees and disbursements, in each case at their standard rates, in respect of these proceedings, whether incurred before or after the making of this Order (the "**Receiver's Fees**"). The Receiver's Charge shall form a charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to Sections 14.06(7), 81.4(4), and 81.6(2) of the *BIA* and the charge priorities established in this Order.
17. The Receiver and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are referred to a judge of the Supreme Court of British Columbia and may be heard on a summary basis.

18. Prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against the Receiver's Fees, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

19. The Receiver is authorized and empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, at any time, at such rate or rates of interest as the Receiver deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate to the charges as set out in Sections 14.06(7), 81.4(4), and 81.6(2) of the BIA and subject to the charge priorities established in this Order.
20. Neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.
21. The Receiver is authorized to issue certificates substantially in the form annexed as **Schedule "B"** hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.
22. The monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.
23. From time to time, the Receiver may issue invoices to GNWT in respect of services, costs, or professional fees incurred in relation to Regulatory Directions, the Reclamation, or other work within the scope and purpose of the Receiver's appointment under this Order, and GNWT may, if it deems appropriate, pay any part of these invoices using funds designated as statutory or contractual environmental security in relation to the Debtors or the Ekati Mine (the "**Environmental Security Funds**"). For certainty and notwithstanding any other terms of this Order, any such Environmental Security Funds paid by GNWT to the Receiver do not form part of the Property and are not subject to priorities in bankruptcy under the BIA.
24. Nothing in this Order shall be deemed to restrict GNWT from using, managing, or calling upon the Environmental Security Funds for any purpose.

CHARGES AND ALLOCATION

25. Notwithstanding the termination of the ARIO pursuant to this Order, the provisions of the ARIO concerning the creation of the “Administration Charge”, the “Interim Lender’s Charge”, and the “D&O Charge” (each as defined in the ARIO) (collectively, the “**CCAA Charges**”), as well as the rights and protections of the beneficiaries of the CCAA Charges, shall continue to be effective and the CCAA Charges shall continue to constitute charges on the Property as contemplated by the ARIO.
26. The priorities of the Administration Charge, the Receiver’s Charge, the Receiver’s Borrowing Charge, the Interim Lender’s Charge, and the D&O Charge shall be as follows:
- First – Administration Charge (to the maximum amount of \$500,000)
- Second – Receiver’s Charge
- Third – Receiver’s Borrowing Charge
- Fourth – Interim Lender’s Charge
- Fourth – D&O Charge (to the maximum amount of \$5,000,000)
27. Any interested party may apply to this Court on notice to any other party likely to be affected for an order allocating the Administration Charge, the Receiver’s Charge, the Receiver’s Borrowing Charge, the Interim Lender’s Charge, and the D&O Charge amongst the Property.

SERVICE AND NOTICE OF MATERIALS

28. The Receiver shall establish and maintain a website in respect of these proceedings at: [website] (the “**Website**”) and shall post there as soon as practicable:
- (a) all materials prescribed by statute or regulation to be made publicly available, including pursuant to Rule 10-2 of the *Supreme Court Civil Rules*; and,
- (b) all applications, reports, affidavits, orders and other materials filed in these proceedings by or on behalf of the Receiver, except such materials as are confidential and the subject of a sealing order or pending application for a sealing order.
29. Any Person who is served with a copy of this Order and that wishes to be served with any future application or other materials in these proceedings must either: (i) have already requested service of materials from the Monitor pursuant to the ARIO before the date of this Order; or (ii) provide to counsel for each of the Receiver and GNWT a demand for notice in the form attached as **Schedule “C”** (the “**Demand for Notice**”). The Receiver and GNWT need only provide further notice in respect of these proceedings to: (i) Persons that have already requested service of materials from the Monitor pursuant to the ARIO before the date of this Order; and (ii) Persons that have delivered a properly completed

Demand for Notice to each of the Receiver and GNWT. The failure of any Person to meet these criteria releases the Receiver and GNWT from any requirement to provide further notice in respect of these proceedings until such Person delivers a properly completed Demand for Notice.

30. The Receiver shall maintain a service list identifying all parties that have: (i) already requested service of materials from the Monitor pursuant to the ARIO before the date of this Order; or (ii) delivered a properly completed Demand for Notice (the “**Service List**”). The Receiver shall post and maintain an up-to-date form of the Service List on the Website.
31. Any interested party, including the Receiver, may serve any court materials in these proceedings by facsimile or by emailing a PDF or other electronic copy of such materials to the numbers or addresses, as applicable, set out on the Service List. Any interested party, including the Receiver, may serve any court materials in these proceedings by mail to any party on the Service List that has not provided a facsimile number or email address, and materials delivered by mail shall be deemed received five (5) days after mailing.
32. Notwithstanding paragraph 31 of this Order, service of the application and any affidavits filed in support shall be made on the Federal and British Columbia Crowns in accordance with the *Crown Liability and Proceedings Act*, R.S.C. 1985, c.C-50 and its regulations for the Federal Crown and the *Crown Proceedings Act*, R.S.B.C. 1996 c.89 in respect of the British Columbia Crown.
33. The Receiver and its counsel are authorised to serve or distribute this Order, any other orders and any other materials as may be reasonably required in these proceedings, including any notices or other correspondence, by forwarding copies by facsimile or by email to the Debtor’s creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of any legal or juridical obligation and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*.

STYLE OF CAUSE

34. Immediately following the pronouncement of this Order, the style of cause of these proceedings shall be and is hereby changed to:

No. S-263255
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE RECEIVERSHIP OF
ARCTIC CANADIAN DIAMOND COMPANY LTD., AND
BURGUNDY DIAMONDS (CANADA) LIMITED

GENERAL

35. Any interested party may apply to this Court to vary or amend this Order on not less than seven (7) clear business days' notice to the Service List and to any other party who may be affected by the variation or amendment, or upon such other notice, if any, as this Court may order.
36. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
37. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.
38. This Court requests the aid, recognition and assistance of any court, tribunal, regulatory or administrative body having jurisdiction, wherever located, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All such courts, tribunals and regulatory and administrative bodies are respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.
39. The Receiver is authorized and empowered to apply to any court, tribunal or regulatory or administrative body, wherever located, for recognition of this Order and for assistance in carrying out the terms of this Order and the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

40. Endorsement of this Order by counsel appearing on this application other than the applicant is dispensed with.

THE FOLLOWING PARTIES APPROVE OF THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

APPROVED BY:

Signature of Mary Buttery, K.C., lawyer for
GNWT

BY THE COURT

DISTRICT REGISTRAR

SCHEDULE “A”
Appearance List

NAME	APPEARING FOR

SCHEDULE "B"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that **[RECEIVER'S NAME]**, the **[Receiver and/or Receiver and Manager]** (the "**Receiver**") of all of the assets, undertakings and properties of **[DEBTOR'S NAME]** acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Supreme Court of British Columbia and/or the Supreme Court of British Columbia (In Bankruptcy and Insolvency) (the "**Court**") dated the _____ day of _____, 202_ (the "**Order**") made in SCBC Action No. _____ and/or SCBC Action No. _____/Estate No. _____ has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded **[daily] [monthly]** not in advance on the _____ day of each month after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of _____ from time to time.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of the Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at _____.
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.
6. The charge securing this certificate shall operate to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum under this Certificate in respect of which it may issue certificates under the terms of the Order.

DATED the [REDACTED] day of [REDACTED], 201[REDACTED].

[RECEIVER'S NAME], solely in its
capacity as Receiver of the Property, and not
in its personal capacity

Per:
Name:
Title:

SCHEDULE “C”

Demand for Notice

TO: **Government of the Northwest Territories**
c/o Osler, Hoskin & Harcourt LLP
Attention: Mary Buttery, K.C., Christian Garton
Email: buttery@osler.com, cgarton@osler.com

AND TO: **PricewaterhouseCoopers Inc.**
Attention: Michelle Grant, Morag Cooper
Email: michelle.grant@pwc.com, morag.cooper@pwc.com

Re: In the matter of the Receivership of ARCTIC CANADIAN DIAMOND COMPANY LTD. and BURGUNDY DIAMONDS (CANADA) LIMITED

I hereby request that notice of all further proceedings in the above Receivership be sent to me in the following manner:

1. By email, at the following address (or addresses):

OR

2. By mail, at the following address:

Name of Creditor: _____

Name of Counsel (if any): _____

Creditor's Contact Address: _____

Creditor's Contact Phone Number: _____